

Agriculture

censuses toward a depleted agricultural population growing older decade after decade.

In 1966 when the mid-term census was taken, only 13.5 per cent of Canadian farmers were under the age of 34, while nearly twice as many were over the age of 60. Ten years later, in 1976, there had been a change. The number of younger farmers had increased marginally, and the number of farmers at or near retirement age had declined slightly in percentage terms. It is obvious how important this trend is to Canadian agriculture.

Farming is hard work, and learning to farm well takes a long time, so long that it is almost true to say that one must be born to it. Obviously, if the majority of those born to farming continue to leave farming, there must come a point when there are too few farmers to produce food for the urban population. What saved us from ever reaching that point in Canada is that although our farm population was declining and getting older, both at once, it was also increasing its productivity tremendously through improved methods of agriculture. But these improved methods have depended on two forces: first, a great increase in the use of expensive machinery, expensive fuels and expensive fertilizers and pesticides; and second, a great deal of very important agricultural research to develop new seed varieties, new crops and newly introduced livestock breeds as well.

Two things have happened to agriculture in recent years which have created a brick wall for this kind of productivity increase. First, the cost of fuels and petroleum-based fertilizers which made these spectacular productivity gains possible has skyrocketed.

The Minister of Energy, Mines and Resources (Mr. Lalonde) just yesterday delivered another hefty blow to agriculture by adding nine cents to a gallon of gas. In the long run, consumers who will be paying for this increase by driving their cars will also be paying for it through increased food prices. But in the meantime, farmers are paying it, just as their crop year gets fully under way. They face the immediate pressure brought upon them by a budget that makes no allowance for cheaper prices for fuels used in food production, as the budget of our previous government did.

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The other thing that has happened to agriculture is that the very valuable efforts of Canadian agricultural research are not being supported as they should be by this government. Research pays dividends many times the cost of research, but they come slowly and without much fanfare, and so a government that wants to cut costs in a showy manner yields, as this one has done, to the temptation to let agricultural research lie fallow, even though it is an investment that can profit us all whether we grow food or consume it.

Now that we have run up against this brick wall, making further productivity gains harder to achieve, we must hope that young farmers will still be attracted into farming, for it is as certain as snow in winter that older farmers cannot continue forever to put food on Canadian tables. We may all hope that

today's census shows that the average age of Canadian farmers has declined further, and that we have definitely reversed the trend that was creeping up on us. Civilizations have died because their land base was depleted. We are foolish if we think that we, as an industrial society, are somehow exempt from this law of nature.

Another trend we might hope to see from today's census is a continuation of the trend toward higher farm incomes. Certainly we cannot hope to hold younger farmers on the land if easier and higher incomes continue to draw them to the cities. During most of the 1970s, farm incomes were beginning to edge up toward the average for Canadians as a whole. But in 1970, farmers earned on average only 42 per cent of what male workers as a whole earned, and by 1978 they still earned less than four fifths of the average. There are some compensations in life on the land to make up for the lesser income, but something of frightening proportion has happened since 1978 to create a crisis in agriculture that is this year growing much worse. Land costs, of course, increased tremendously throughout the 1970s, but farmers can live with that. Their problem is that they must finance the purchase of their land over many years and at the same time cope with the enormously increased costs of necessary machinery, more efficient buildings, and much higher annual operating costs.

Now, how is a young farmer going to do this? Well, the answer is apparent. Many of them cannot. Because it blindly follows a policy of short-term advantage, this government negotiated a few years ago a beef import quota that allows considerable surpluses of U.S. beef into Canada and depresses prices. The result is that most Canadian beef farmers are now operating at a loss. Any businessman can carry a loss for a while if he is efficient. But this year farm bankruptcies are up by 70 per cent over the first quarter of last year. And we can certainly expect to see considerably more farm bankruptcies this year, particularly in my province of Ontario. Obviously, many farmers cannot carry the losses they are now facing. And among those who are not bankrupt, many farmers are watching their equity decline month after month. There are beef farmers in Ontario paying \$80,000 a month in interest payments to finance their operations. If the costs of borrowing were normal, they would possibly be in a slight profit position.

Mr. Whelan: Eighty thousand dollars?

Mr. Cardiff: That is right, \$80,000. I can take you to a farmer who is paying \$80,000.

Mr. Whelan: A month?

Mr. Cardiff: At present, far from being able to make a profit that allows them to retire some of their long-term debt for land purchases so that their equity position improves, many are watching the equity they have already built disappearing, while those important younger farmers who should be feeding us tomorrow are finding in increasing numbers that they cannot even manage to hold on to their land. There are too many reports of farmers in Ontario selling their cattle, hogs and quite often their breeding stock because they are in