

Interest Rate Policy

which comes late but nevertheless is welcomed, he still finds himself subsidizing the consumer of Canada.

● (2050)

What does one want from the farmers and the fishermen? They have given their blood in 400 bankruptcies; and we are going to complain about the price of food in this nation? If anyone wants to complain about it, let him examine the distribution system and examine the mark-ups, and if there are troubles there, fine. However, agriculture is far from prospering in this nation today. The government wants the provinces to look after these bankruptcies and the hon. Minister of Agriculture, to the satisfaction of hon. members over there—I cannot read it any other way—is willing to abide by all these things which have been passed out by this government. Yes, there are predictions of 400 bankruptcies in agriculture in Ontario this year.

Let us take another instance. A dairyman has advised hon. members of this House that he has an investment which has been a family heritage, and he has an estimate of its value. At no time in the last three years has he been able to realize five per cent on his investment. Why does that farmer not sell that farm and deposit it with one of the borrowing or lending institutions of this nation and get 18 per cent? He is farming for less than nothing, and we are going to complain about the price of food? Yes, it is high, I acknowledge that. However, it is no higher, relatively speaking, than are automobiles, dishwashers, clothes driers or any other requirement of a consumer.

Let us examine the situation of the fishermen in a little more detail. I think it is rather interesting to note that the United Maritime Fishermens Co-op showed a surplus in sales of over \$100,000 in 1978. In 1979 they had a deficit of \$500,000. In 1980, their sales deficit rose to over \$3.5 million. Although sales rose quantitatively, the price per pound stayed low due to poor domestic and foreign markets. In spite of the rising costs due to interest rates and cost of equipment, fishermen could not get a better price. Prices were kept low by the fact that the consumer demand dropped off both here and abroad, as stated in *The Globe and Mail* of March 19.

I have to stand up for the food producer in this nation because he is having a rough time under the structure that this government has established. The government, at this time, should not be opening new offices. It should not be taxing the people of Canada to support them or to employ more people. It should, instead, be looking for ways and means to use the people which it presently has in such a way as to reduce the tax burden and deficit. This is essential. Business and labour cannot be expected to exercise savings in view of the example set by this government. They cannot improve productivity and effect savings. They cannot be penny pinchers in the face of excessive taxation, excessive borrowing, and ridiculously heavy spending. When I read that executive salaries sometimes exceed \$500,000, I must say that I find that to be a little high. I must acknowledge that that salary will have to be paid by the consumer of the goods that that company produces. I would

say to you that social responsibility in such an instance and in such difficult financial times as these has evidently gone out of the window.

I want to give one example of this. Let us take as an example the village of McAdam in the province of New Brunswick, in my constituency. It was established by the CPR as the railroad was built. It became a booming town in which that company employed some 500 or 600 people at its peak. Now this corporate giant has decided to remove virtually all employment from that community. If left to its own resources, it will become a ghost town. After creating it, it abandoned the village, in the certain knowledge that it will become a ghost town. By not restoring employment historically extended by this company to the residents of that village, I submit that it has not demonstrated a sense of social responsibility. It worries not about the hardship that has been imposed upon these people, nor about the social expense—and this is what concerns me—which will be foisted on the taxpayers of the province of New Brunswick and the Government of Canada as a result of the abandonment of that community.

It is difficult, indeed, to be a free enterpriser under these circumstances, and to exercise a reasonable degree of responsibility when excesses such as this exist. I have to say, though, that the free enterprise system has, in the main, served this country extremely well. There are just a few examples in this structure which, I must say, deserve severe criticism.

The fiscal and monetary problems of this country today may appear to be similar to those which we read about in history. They appear to be simple, as to make us think that there is too much money after too few goods. Even when too much money chased too few goods, policies, now practised by this government, of heavy borrowing, heavy spending and heavy taxation, were self-defeating as happened in Germany after World War I. That kind of inflation could not be controlled that way. Even worse, this is not an historic inflationary period. The shelves are burdened with goods, but people cannot buy them in quantities which will encourage production or employment because the costs are too high. Yet this government is operating at high interest rates, with exorbitant spending and massive deficits, as if these were the cure. There is no immediate panacea.

The economic world today has three virtually equal parts in strength. They are government, management and labour. Until such time as each, with all its power, is prepared to sit down with the other to discuss the problem and evolve a solution, there is no hope for this nation. This government has shown that it lacks both the courage and the leadership capability to supply leadership and face the realities. It is high time that leadership and perhaps some unpopular political moves were applied. A co-operative triumvirate could triumph, but a stubborn government will not create the triumvirate or provide the leadership which could save this country with moves which might not be politically apparent. Let us go after it!

Some hon. Members: Hear, hear!