

Agency on farm debt problems for New Brunswick potato producers:

In 1980 total cost of production per acre amounted to \$1,063, of which interest charges were \$70. Higher interest rates should force that figure higher this year.

I submit to you, Mr. Speaker, that I would like to show you the position of the seed producer who will finance and plant a crop in late April or early May and who will, in turn, put that crop on the market in March or April. His costs on the basis of cost-per-acre will be in excess of \$200. This is what is happening to the price of food. To get crops in the ground, producers will have to borrow \$80,000 to \$100,000 for a moderate-sized potato crop. They will have to pay 20 to 22 per cent interest. If a young man wants to buy a farm of 150 acres, for example, he faces an initial capital cost of \$300,000. At that price, and at this interest rate, he cannot enter the agriculture business and the potato industry of this land anywhere and hope to survive. Joe Drozdowski also says that interest rates are keeping total acreage at a low level. Farm machinery dealers and fertilizer companies will not offer credit beyond 30 days, so the farmer is forced to go to a lending institution for all his operating costs. Mr. Speaker, these are pretty dire consequences.

Recently the Canadian Federation of Agriculture put a very special plea to the Minister of Agriculture (Mr. Whelan). The Federation sent an urgent bulletin to all members of Parliament requesting immediate emergency relief for farmers facing bankruptcy or foreclosure due to exorbitant interest rates. The CFA called for extra funds under the auspices of the Farm Credit Corporation, which has the staff and administrative capability to provide loans at deferred rates. Those most in need, said the CFA, were hog and beef producers, as well as cash crop producers, and that includes potato producers. The Federation also noted that it is high interest rates and not poor management, as had been implied by the members of cabinet to your right, Mr. Speaker, which has driven farmers into this unfortunate position.

As well, the CFA pointed out that these loans would not be a government expenditure but might well prove to be an investment in Canada's future from which the government would reap good dividends. It was also pointed out that in the first quarter of 1980, there were 44 bankruptcies and that in 1981 there were 75.

It was pointed out that in 1979 there were 125 farm bankruptcies in Ontario and in 1980 there were 224. Farm bankruptcies were up 80 per cent over the 1979 level. In the first quarter of 1981, it was pointed out that farm bankruptcies are up nearly 70 per cent from the first quarter of 1979. If present trends continue, farm bankruptcies could reach 400 by the end of this year. These are serious trends which involve small businessmen who are being brought to heel under the economic feudalism generated by inflation, extravagance and debt brought on this country by this government.

Mr. Whelan stated that it was really only beef and pork producers who were facing bankruptcy. Perhaps pointing out the plight of the potato industry is good.

Interest Rate Policy

The Minister of Agriculture also said in the House yesterday that only a small percentage of farmers faced bankruptcy—

Mr. Blais: Order!

Mr. Baker (Nepean-Carleton): The hon. member is quoting from a document.

Mr. Evans: What is unparliamentary is unparliamentary.

Mr. McCain: It is obviously a sore spot for hon. members opposite. Even an economist would have to realize that there is an element of logic and argument against this government. The more you wail and complain over there, the more you emphasize how short you are on tender feelings, as you sit in the city and abuse the farmer about whom you know nothing. And you still want to interject. Mr. Speaker, I might add that that demonstrates the intelligence of the government as a whole.

The minister also tried to lay blame at the foot of the provincial budgets, Ontario in particular, stating that it only spent \$200 million on agriculture in Tuesday's budget. Let me tell you, Mr. Speaker, and those tender-nerved individuals to your right, that the federal government in a single year, in ordinary administrative and research expenditures since 1980, has not made a real increase in the moneys allocated from its treasury to agriculture for the services which this government should perform. There has been an element of change in some departments and some additional emphasis placed on research in the last year, which shows previous neglect of this government. That is not all, Mr. Speaker. The government has tried to transmit to the provinces and the provincial taxpayers historic responsibilities that the Government of Canada has carried since Confederation, since this minister was willing to accept less from the government.

I have heard members of this House complain about the cost of food without saying anything about production costs. What about the fisherman whose fishing gear has risen in price five, six and sevenfold? The cost of boats has more than tripled. The fisherman, too, is paying ten to 15 times as much in interest as he was paying over the last ten years as a result of inflation. Interest alone may have reached as much as 15 per cent of the total cost of food—that is inflationary and cannot be interpreted otherwise.

There is no relief. Even the historic crutches which have been extended to agriculture by the government of this nation have been withdrawn. They have said: "Let us get the provinces to do it." Yes, food is costing more. Farmers and fishermen have had bad years, as they live in a cyclical situation of return in price; but rather than reaping exorbitant profits, they have actually subsidized the food consumer of this nation for years. The cattle feeder, for instance, is losing \$150 per head in spite of the high price of meat. Just think of the subsidy he has extended to the food consumer of this nation. The hog producer is facing bankruptcy and, in spite of the price stabilization payment being paid by this government,