

Economic Conditions

have a system of stability in our food sector at the production level and, as a matter of fact, the consumer of Canada pays our farmers 29.8 cents per meal for food produced and consumed in Canada. This is what the farmer receives at the farm gate from Canadian consumers for food produced and consumed in Canada. I want to emphasize that our social programs are indexed and if those food prices go up, so does the income of the pensioners and those people in need.

Why is there a difference in the interest rates in Canada and the United States? We in Canada can be proud that our economy is not as closely based on material luxuries or as closely tied to the automotive industry which contributes to such a large segment of the U.S. economy. But that automotive industry became out of date with the times and not energy efficient. Because of this it became the victim of imports from other nations. We in Canada have stressed material necessities needed by Canadians and other nations in the world. We have both natural and human resources which can feed a hungry world in a time of need. We have a national energy policy which recognizes the need for food, giving food production and food processing top priority if energy allocations ever become necessary, along with the general health, welfare, and the defence of our nation.

That spread of almost 4 per cent in interest rates between Canada and the United States is indicative of the difference in our priorities, in our resources, and how we manage those resources.

Our national energy program would provide a further cushion against inflation, a cushion which will phase in energy costs over a period of time. At the end of 1984 it will be well below that of the Tory budget of 1979. For example, natural gas prices in 1984 will be 71 per cent lower than those in the Tory budget of 1979. No doubt the hon. member for St. John's West (Mr. Crosbie) forgot that the basic ingredient in many of our nitrogen fertilizers is natural gas.

If members of the opposition are so concerned about increases in food prices, what would have happened if nitrogen fertilizer prices went up by 71 per cent? What would have happened if our diesel fuel prices increased by the same extent as those in the Tory budget of 1979? I will tell you what would have happened on my farm, Mr. Speaker. Over that four-year period, 1981 to 1984, my diesel fuel costs would have increased by \$8,200, and this same type of increase would have reflected across our entire food sector. Instead of the 15 per cent increase in food prices forecast for next year, it would have been far worse than that for 1980 and similarly for 1981. The 18 cents per gallon excise tax in the Tory budget was a tax on the very food we eat. Instead of an 11.2 per cent increase in inflation for the last month, the cost of living index would have increased by 15 per cent for 1980, and Lord knows what for 1981. I cannot imagine anyone, even in the opposition, being so hard-hearted as to have presented such a harsh budget as the one presented in December, 1979. They should have researched the harsh impact of their proposals, particu-

larly in the food production sector. "Perhaps we should forgive them for they know not what they do".

Some hon. Members: Oh, oh!

Mr. Ferguson: The people of Canada forgave, but they will not forget.

We have examined the October budget and the national energy package as well as their impact on the total economy. In contrast to other industrialized countries of the world, we are indeed fortunate.

Earlier I indicated that we have provided low-cost facilities for our senior citizens. If we consider projects such as this where we have transferred large amounts of funds to other levels of governments, both municipal and provincial, which have been mostly used to establish an acceptable level for national social services, it is clear that the Canadian central government's expenditures as a percentage of national output are not unusual in the developed world.

This debate on our current interest rates and the recent increase in the inflationary rate is not a result of mismanagement of our economy, but rather it is a direct result of world economic conditions, in particular those of our neighbours to the south. As Canadians, we are gradually but surely moving toward more control over our economic affairs. We intend to move to increase our total economic output in terms of exporting material necessities in the way of food and goods.

This House, sitting in Committee of the Whole last week, heard the Minister of Agriculture (Mr. Whelan) speak about Canagrex and the production of food for a hungry world. This program alone will provide jobs across our total economy. The spin-off effects will improve the lot of all Canadians. In addition to the creation of this organization, we are competitive in our exporting of manufactured goods, in spite of the fact that we have one of the highest standards of living of any nation in the world.

The debate tonight, Mr. Speaker, indicates that our budget is correct in applying a national energy policy that recognizes the need for equalization across the nation. The need for equalization of sharing is the basis of the foundation on which Canada has been built, but then we find that some members of society today have become servants of Beal, the god of money.

In spite of the fact that interest rates have risen today, our dollar has remained stable. I suggest that as the new administration takes office in the United States next month their economy, too, will stabilize and their impact on world economic instability will allow us to continue to build for the 1980s. In the meantime, we recognize that we have to scrutinize our economy in Canada, maintain an interest rate, which we have done, that is well below that of the United States. But above all, Mr. Speaker, we must not be panicked into measures which will worsen our inflation rate resulting in further hardship on our citizens and placing ourselves out of competition in world markets.

In conclusion, we have provided a cushion of insurance with our social policies. Our farm sector is one of the most stable of