

Agriculture

Fifth, the program should be available for all farm commodities and include segments of the industry which are separate marketing entities, such as cow-calf operations and weaner pig operations.

If this program is to operate in conjunction with a tariff and quota system oriented toward maintaining Canadian farm production and food processing with orderly marketing where possible, such a program need not be either costly or in constant operation. However, it should be in place so that it is there when it is needed.

We are losing our food production capacity in many vulnerable commodities such as fruits and vegetables. These sectors must be preserved and encouraged to expand. Without this kind of income insurance, this will not happen. The NDP policy would be to establish a stabilization program which would keep all farmers in operation and ensure them of an adequate income.

Over the past few months there has been much talk about interest rates and crushing debt loads which are affecting farmers and will affect them as long as the present high interest rate policy is maintained. Less has been said about the fact that high interest rates also affect the price the farmer receives for his product.

I would like to give one example. On November 21 last, before this current round of increases in interest rates, No. 1 Canadian western red wheat sold for \$7.42 a bushel. Yesterday it sold at \$6.40 a bushel, a lower price by more than a \$1 a bushel. Why do I say the price dropped because of high interest rates? At high interest rate levels, buyers are not willing to keep much grain on hand. They reduce their inventories and consequently less grain is sold. Sellers do not want to move their product as quickly; they want to get the highest possible price.

Rapeseed prices have also been affected by this phenomenon. This loss of \$1 per bushel in income along with high interest rates will affect the farmer considerably. He will have \$1 per bushel less to meet the \$2 billion commitment in interest payments which the Minister of Agriculture so carefully explained to us on Monday. The amount of interest paid by farmers right now is fully one third higher than it was last year. Farmers are caught in a classic cost-price squeeze. The cost of farming is increasing. The amount of income available to meet costs is decreasing sharply because of lower prices. Both these conditions are being caused by a conscious policy of this government to keep interest rates high.

● (1530)

Under these circumstances I think the government should have more than just a friendly chat with the Canadian Bankers' Association to try to do something about high interest rates. I believe the time has long passed for governments to consider debt relief and a moratorium on debt payments by farmers who have reached the point, as mentioned by the hon. member for Yorkton-Melville (Mr. Nystrom) on Monday, of requiring \$8 per bushel to pay the interest on the money they borrowed to buy the land. The situation has developed to such

an extent that the particular farmer about whom the hon. member for Yorkton-Melville was speaking, who owns a farm valued, now with inflated prices, at \$400,000, finds that on every bushel of grain he sells he needs about \$2 to pay the interest. Why should he farm? He could sell out, invest the \$400,000 and get a foreign investor to buy his land, and he would earn about \$60,000 a year in interest. Then he could sit back and watch a young Saskatchewan boy rent the land from this foreign investor. That young man would never be able to hope to buy the land under the circumstances established by this high interest rate policy.

The demise of the family farm, which again was discussed on several occasions last Monday, is part of the result of this kind of a policy. We believe the Farm Credit Corporation should attempt to meet the needs of the farmer for credit at a level which would allow him to survive. It might even be necessary to provide funds at a very low interest rate, possibly with only a service charge, to make it possible for the farmer to survive. We also need more money in that particular fund so it is not underfunded, as seems to be the chronic situation.

I would now like to turn to an issue that has occupied a considerable amount of my time and the time of this House of Parliament, and that is Canadian participation in the grain embargo on the Soviet Union which began 17 months ago, on January 4. I wish my time could have been spent a little better in this last few months. It has been no great pleasure to continuously ask the government what it is doing about this particular situation. It has been no great pleasure to be talking to a government which has been following a U.S. policy which has meant that innocent populations were denied food, with Canada dangerously alienating our best grain customer, the Soviet Union.

In the 17 months the government has been attempting to give us some answer, it has continuously suggested it would pay the farmers compensation because of the fact that farmers were the people who took the brunt of a decision made by both governing parties over that period of time.

Back on April 15 of last year I asked the Prime Minister (Mr. Trudeau) if he intended to support the previous government's policy on the embargo, and his answer to that question was:

Indeed, Madam Speaker, that is our policy.

This commitment to assist the farmers has not been fulfilled. I am listed in *Hansard* index lists as having spoken on grain on 20 occasions in that period of time. Virtually every time I spoke in the House on grain I asked about the embargo, yet no one on the government side has been able to tell me how much, what grains or at what level farmers are to be compensated.

The grain embargo has affected the incomes of Canadian farmers. Are they not entitled to a public discussion about the compensation they have been promised? The embargo also affected the athletes of the country, and I think they also should be given an opportunity to discuss the government