

*Farm Income*

This morning we received the latest consumer price index released by Statistics Canada. It showed food prices increased 13.4 per cent between February of last year and February of this year. Obviously, there is something wrong with a system that allows prices to increase by over 13 per cent when the producer is receiving as much as 6, 11, and even 20 per cent less for his efforts. This includes not only the farmer but the farmer's wife as well because they very often work closely together in their production.

The blame for declining farm incomes rests squarely with the government in its failure to develop an effective agricultural policy for Canada. Agriculture and food production accounts for more than 40 per cent of our gross national product, and the absence of comprehensive planning in this vital sector threatens both the farmers and consumers. It is time a closer examination was made of Canada's food chain, and particularly the middleman in that chain, to find out why prices are rising while farm incomes are permitted to decline.

More than one farmer has written to me to say he has been forced into bankruptcy. Just last week I received a letter from a farmer in my constituency near St. George, Ontario, stating that "farmers are working themselves into the grave just trying to survive". Indeed, it is becoming very difficult to persuade young people to go into farming, and this is a tragedy. Urban businessmen would like their sons, or sons-in-law, to go into their industries. Why is it that farmers are finding it increasingly more difficult to attract their sons or sons-in-law, daughters and so on, to carry on with the family farming business? Many are abandoning the farm and heading for the cities. It is little wonder farming today is not a viable business proposition for most who are in it. There are some farmers across this country, of course, who are making some money. But generally speaking, farmers are not making a good profit on their investment and labour when confronted with high interest rates on their mortgages and considering the long hours they put in day after day after day.

● (1532)

I think part of this goes back with the Liberal party. I would suggest it even goes back with the Conservative party. They have taken farmers for granted. They have been able to do this in many cases because both old parties know that most people who were born and raised on a farm and went to a rural school, or to a small district high school, want to stay on the farm. That has been the traditional attitude. In recent years, however, the young people on the farms are taking a different attitude. Obviously the government is not.

I cannot blame young people for wanting to leave the farms today. They are in conflict with themselves. They want to leave the rural life not because they want the good life or the rich life but because they cannot have the rural life with a decent income in return for their labour, their investment and the interest on their mortgage.

Cattle producers have been suffering from depressed prices since 1974, that is three and a half years. I am addressing my remarks to the minister through you, Mr. Speaker, and I hope

he is paying attention. Steer calves sell at 30 per cent below the cost of production and top grade cattle sell at 20 per cent below cost. At the same time beef prices to the consumer have increased by 33 per cent. Consumers need protection, but so do farmers. The price of wheat has also declined in the past few years to the point where it is difficult for farmers to meet the cost of production.

A healthy farm economy is in the interests of all Canadians. Already the farm income slide is affecting other sectors of the economy. Hard-pressed farmers purchased far less machinery in 1977, with the result that hundreds of workers have been laid off. This winter over 500 employees were temporarily laid off for a week at the Massey-Ferguson plant at Brantford, in my riding of Brant. Last month over 200 employees were laid off permanently at Massey-Ferguson in Toronto.

Mismanagement of the economy, and not just the farm economy, is at the root of this serious situation. The slowdown in the farm machinery industry is worsened by heavy imports from the United States and the government's failure to encourage the development of a strong domestic farm industry. Imports now account for more than 85 per cent of all the farm machinery sold to Canadian farmers. The declining value of our dollar promises to make new farm implements so expensive that they will be out of the reach of most farmers.

There are a number of steps that could be taken to aid the agricultural industry in Canada. Perhaps the most important is a re-examination of this government's tariff policies— or, I should probably say, the government's lack of tariff policy. The Minister of Agriculture (Mr. Whelan) seems to take pride in the low level of government support Canada provides for farmers compared to other countries. In a speech to the Canadian Bankers' Association last October—that must have been a jolly affair—he proudly pointed out that in Canada, even adding in all provincial plans, less than 4 per cent of gross government spending goes into agriculture, and that Canadian agriculture has the lowest tariffs in the world. In Canada, the average farm tariff is less than one half of one per cent across the board.

Canadian producers have long been asking for tariff equalization with the United States and other countries. This is a serious problem right across the country, but I am most familiar with the plight of fruit and vegetable growers in southern Ontario and the Niagara peninsula, as well as tobacco farmers and fruit and vegetable growers in my own constituency. I am trying not to be parochial here. I am talking about agriculture right across the country and not in one constituency. These farmers have been demanding a seasonal tariff for their produce to prevent the dumping of fruits and vegetables in their markets. This is easy to understand when you consider that last fall frozen or canned peaches could enter this country for 2¼ cents per pound, while the tariff on peaches going into the United States was set at 20 per cent. I ask the minister to consider those statistics very carefully.

Lack of government regulations has also affected the beef industry. The minister has been reluctant to upset trade with the United States and other countries, and producers are