

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I would like to use the time allocated to me tonight to discuss the situation in the farm industry in Canada. The government is not dealing with the problem of last year's shortfall of more than \$1 billion in farmers income. Farm organizations are urging the government to put in place a third line of defence to provide financial assistance to farmers.

[English]

Today the Women's Institute of Canada was in town and had representatives here to point out the harm that is being done to rural communities and to families due to the lack of funds in rural Canada.

The shortfall in realized net income has been calculated to be about \$1.3 billion. That calculation is arrived at by taking the average of the last five years' net income and looking at the actual income from the crop year just completed, and the shortfall between the five-year average and the actual income for the year that was just completed in August is \$1.3 billion.

We should remember that net farm income has been declining in each of those five years so we are in a sliding scale downward and even so the income for the crop year just completed will be \$1.3 billion short of that declining balance.

What this means is that a lot of farmers are carrying excessive debt. They are carrying debt that is being pushed on to the small business people who supply farmers as the banks withdraw from the lending market. The fertilizer dealer, the equipment dealer, the seller of pesticides and hardware carry a greater and greater amount of credit accounts because farmers cannot go to the bank anymore to borrow the money. They simply build up an account with the local business people.

GRIP and NISA are coming in the current crop year. They will be available for the crop that is now going into the bins, but there is still a huge shortfall of \$1.3 billion which will simply be carried forward as additional debt. I remind the House that the agricultural committee found that farm debt had not declined over the last four years. When we completed our studies we saw that farm debt was stuck at \$22 billion. We have some data to indicate that debt is now rising.

Adjournment Debate

The call for \$1.3 billion has been made by all of the major farm organizations in Canada, which was raised by me on the first day that the House came back in a question, prompts this intervention, and has been raised at numerous farm rallies across the land. The government must act soon to provide this assistance to grain and oilseed producers in Canada.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, Canadian grains and oilseeds farmers have watched over the last six years while an international grain export subsidy war has devastated prices. This is a battle over which our producers have no control and it is one which has hurt them deeply.

Who would have believed that in 1991 Canadian farmers are getting the same price for their wheat that they received in 1972? The escalating subsidy war has done just that. Until the European community and the United States put an end to their fight, our farmers will continue to suffer at their hands.

Canadian farmers are fighting to survive in spite of these record low prices. This government is helping in that fight by providing unprecedented support. We have been working along with farmers through the development of new safety net programs and now on the third line of defence committee to address the income problems of the sector.

The committee met October 2 through October 4 in its efforts to review and recommend action. The Prime Minister attended the meeting last week and spent about an hour with farm leaders to hear their views. He also told them that this government is prepared to provide special assistance for immediate short term. The Prime Minister has asked for recommendations from ministers by the end of the week.

This demonstrates the commitment of this government to support the grains and oilseeds sector. Already this year the federal government has provided strong support to grains and oilseeds farmers. About \$2 billion will be going out to farmers from now until the end of June through the new safety net programs. Of that amount, cheques through the NISA program are in the mail now and an interim payment is expected through the GRIP program before Christmas. More of the GRIP