

defeat a budget which could have helped the small owner, and these days it is something very important—but tenants will again have to wait for this government to deliver its promises. This is why Canadians worry, Mr. Speaker, and it has now been demonstrated that this government no longer enjoys public confidence to govern this country.

● (0210)

[English]

Mr. Ralph Ferguson (Parliamentary Secretary to the Minister of State, Small Businesses): Mr. Speaker, I rise to speak in this debate, fully recognizing the concerns raised because of escalating interest rates and the problems that affect the consuming public, the business sector, private businessmen, farmers, and most sectors of our economy and society.

But if we look at these trends and examine their effects on various sectors of society, we first must consider the impact on our senior citizens who are deserving of the excellent care and accommodation which is provided them here in Canada. The federal government programs of the past few years have provided them with living accommodation. I refer here to senior citizen apartments in the cities, towns and villages across this nation, apartments that are rented to these senior citizens whose needs are the greatest, at rates which are related to their ability to pay. This is one of the programs which has permitted our citizens to retire and live a life of dignity free of worry and want and the every-day cares of maintaining an individual residence.

The senior citizens are shielded by indexed benefits and pensions, and the guaranteed income supplement. The increase last summer of the guaranteed income supplement was provided for those most in need, and about \$3 billion is spent through indexing each year to cushion our lower-income citizens against hardships. Other seniors who have reached the age of retirement in any cases have their homes paid for, if they are not living in senior citizen facilities, and consequently in many cases have modest investments to supplement their pensions and thereby are not affected by the higher cost of interest to the same degree as others in our society.

However, we recognize the hardships endured in the small business sector, particularly by those people who must carry a high inventory, who are paying interest on operating loans on a floating interest rate. We also realize the impact on home owners who are who are renewing mortgages, on potential home owners who are taking out mortgages, and on those who borrow funds to augment their incomes which are of a seasonal nature.

Many lending institutions today will provide a flexible rate on a mortgage, or a short-term rate that can be locked in at a firm rate when the rates fall to more normal levels. We recognize the problems encountered by those home owners and prospective home owners, but with such flexibility in the mortgage industry there is a vehicle which can provide them with a level of stability when they negotiate new mortgages.

In the rural economy, particularly in the agricultural industry, many sectors have a degree of protection against these

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abnormally high interest rates. The current interest rate, for example, in the Farm Credit Corporation is 12.75 per cent. The pricing formula of the national marketing agencies in the poultry sector takes into consideration the increased costs related to interest charges. The farm storage programs for grains provide interest-free loans for farmers to get cash advances on grain in storage, and in this way through their farm organizations or marketing boards provide a degree of protection to the persons they represent.

The fluid milk pricing formula in some provinces relates to input costs as well. This also includes interest rates. Other commodities which do not have the same degree of sophistication as those I have mentioned are facing some hardship because they have not availed themselves of our various government programs to cushion the effects of these fluctuating rates. But the same producers have decided to ride out the vagaries of the marketplace and it has been by their own decisions that they are not availing themselves of the opportunities to bring about this stability of income.

When I see the forces at work in the commodity sector, particularly in the nation to the south of us, then I recognize that we in Canada, who utilize our federal programs, are not only more immune to violent fluctuations on the commodities future markets and the wild fluctuations in price that in a matter of two weeks saw, for example, the price of soybeans drop by 25 per cent. In Canada we have a better system which is not exposed to excess profiteering, gambling, or speculation on the food we eat. We can be proud of our producers in Canada, those dedicated and hardy individuals who provide us with the first essential of human life, the very food we eat. We have a wheat pricing system which protects our Canadian consumers from world price fluctuations in bread. In the future we will regard this not as a producer subsidy in times of low prices, but rather as a consumer subsidy in times of world peak prices. Certainly we must be concerned with the world grain shortage, but under this Canadian system our consumers will be protected.

We have our dairy products and a dairy policy which is the best in the world, which protects both producers and consumers against world price fluctuations. Our entire poultry sector is indexed to production costs, including eggs and poultry meats. These basic food items in the poultry sector are all cushioned on behalf of the producers and the consumers.

● (0220)

We should not let it go unrecorded that the time spent by a worker in Canada to earn various food items in selected world capitals is lower in Canada than it is in Washington, London, Tokyo, Stockholm, or the medium of 15 other cities in other countries. For example, the cost of a 21-item food basket in Canada is lower than that for the same basket in the United States, Australia, the United Kingdom, Spain, Italy, The Netherlands, West Germany or Japan.

In fact, the cost of a 21-item food basket in Canada is 143 per cent lower than that for the same basket in Japan. We