

In conclusion, honourable senators, I suggest that we would be acting in the interests of Canadian farmers by supporting the quick passage of this bill, and I urge honourable senators to do so.

Hon. Ian Sinclair: Will the honourable senator take a question? Perhaps I misunderstood him. Did he say that the interest rate ceiling would be 1 per cent over prime?

Senator Balfour: The interest rate is fixed at 1 per cent over prime, floating with the prime rate.

Senator Sinclair: Is that the ceiling?

Senator Balfour: Yes.

Senator Sinclair: What is the floor?

Senator Doody: It is something under the fixed rate.

Senator Balfour: Unless the credit institution is prepared to grant credit on more favourable terms.

Senator Sinclair: So, there is no floor.

Hon. H. A. Olson: Honourable senators, we on this side of the chamber are prepared to pass this bill quickly through second and third readings. It is a one-paragraph bill that extends the existing provisions of the Farm Improvement Loans Act for 18 months, or until December 31, 1986.

However, I am surprised that there is no indication in this bill that, when the extension period of the Farm Improvement Loans Act is up, something will be done about the tremendous debt service charge problem which farmers all across this country face. I say that because here we have an opportunity to deal with that problem. The government of the party opposite levelled all kinds of criticism in the past and made all kinds of promises as to how they were going to come to grips with agriculture programs, but, when we get to the point where the bill is before us and some changes could be made, no changes whatsoever are made.

I heard Senator Balfour, who introduced this bill for and on behalf of his party and, therefore, the government, say that the reason the time frame is 18 months is because they want to review this matter, and that that is a relatively short period of time. I can tell him that that is not a relatively short period of time. This bill is always reviewed at relatively short periods of time so that the government can, indeed, introduce improvements to accommodate more adequately the requirements of the agricultural community from time to time. This is like so many other things: It is a postponement of coming to grips with one of the great problems of this country. Perhaps a portion of the problem existed before the government changed—at least, that was the basis of the campaign in which Senator Balfour was involved when great ideas were expounded to improve agriculture generally. He received a lot of support, especially in western Canada, for those arguments.

What have we seen since? A steady deterioration in the agriculture community. Beef is dropping in price every day. This government is directly responsible for the difficulties of the pork industry because, of course, this is as a result of our so-called improved relations with the United States. They have

imposed countervail on pork in many areas. We never had those kinds of problems until this government came into office. The price of grain is declining every day.

Senator Balfour: Huh!

Senator Olson: I hear Senator Balfour say, "Huh." He has not been listening to the farmers in his area. He does not need to take my word for it that farmers are having severe debt problems because this government refuses to take any action, but postpones everything.

As an example, a speech was made in the other place yesterday by a member of the government, Mr. Gordon Taylor, from Bow River in southern Alberta. I quote from page 6170 of the *House of Commons Debates* where he said:

It is not only the financial difficulties which are facing our farmers, many of whom I am not sure are going to survive until 1986. They have high interest rates and foreclosures threatened by banks. In addition, farmers in my riding have winds, drought, grasshoppers and cut worms to contend with. The increased costs of production are becoming so high that many farmers are almost ready to give up. They do not think they can make it.

That is one of your own members. Who are you going to listen to? You apparently say "Huh" when I talk about these things. Well, ask some of your own members from the prairies if their constituents on the farms on the prairies are happy with the credit policies that this government is bringing in. And here you have an opportunity to amend one of the most important acts that farmers have used over the many years since 1945 when it first came in. Yet, there is nothing in it at all. No changes at all. One little paragraph to extend it for 18 months—as though there were no problems out there at all. And your own members are telling you that the farmers are wondering whether they can survive for another year.

• (1740)

One of the most devastating components of farming costs is, of course, the debt service charges. But there is nothing done in this bill in that respect. I ask you, when are you going to do something about it?

The other point that I think is important is: Are the Farm Improvement Loans Act and the FCC, the Farm Credit Corporation, two of the targets that this government is going to use to achieve the \$50 million reduction that the Department of Agriculture is going to have to absorb? Because that is what the Minister of Finance says.

I keep asking these questions and I get absolute stony silence from members opposite. When Senator Flynn was leader, we at least used to get answers. They weren't very good answers, but at least he would reply. All Senator Balfour said to me when I raised this question in relation to the crop insurance program was: "Well, if you don't like the answer, that's your problem."

Well, I am going to make it my business during the summer to let the farmers in western Canada know that the spokesmen for the party that is in office now take their problems lightly

[Senator Balfour]