

term loans. Most of this, of course, is from the Farm Credit Corporation.

● (2010)

The Minister of Agriculture (Mr. Wise) announced a few weeks ago that another \$50 million was being added to the capital budget of the Farm Credit Corporation. Let us not forget that the bank rate since January 1 has gone up by some 2¾ per cent. This increase in the prime lending rate will mean that the actual cost of interest to farmers will be about \$200 million per year. That is an additional cost in interest rates alone.

That is exceptionally high, and will mean a lot of very serious problems for the farmers of this country. It comes at a time when the government should be trying to ensure that young farmers have the money to stay on the farm and that they have, as an objective, food self-sufficiency in this country. The Department of Agriculture can tell you that if we take away grain and oil seeds, our deficit in food production last year was about \$1.8 billion. That is very severe. If you are not going to produce more food, you make cash more difficult for the farmers to obtain.

I appeal to the sanity of the government to stop its ridiculous policy on interest rates. Perhaps ministers have no sanity. I do not know. If they have any left, I appeal to them to roll back the bank rate and ensure that farmers can get loans from the Farm Credit Corporation. They need loans to expand their operations. These must be at a much lower rate than today. Loans are needed by farmers in order to build farms, renew their equipment, remain efficient and produce food for the Canadian people at a reasonable cost.

Something that concerns me very much is that the spread between the rich and the poor of this country is widening instead of narrowing.

[Translation]

I read in the newspaper Tuesday, I believe, that the poverty rate substantially increased in Canada in 1978. The average wages of Canadian families went up by 6 per cent, but it should not be forgotten that the inflation rate of our country last year was 9 per cent. With such an inflation rate, the real wages of the average Canadian family have been reduced by 3 per cent. In spite of that, Mr. Speaker, the Minister of Finance with the governor of the Bank of Canada has raised the interest rate of the Bank of Canada to 14 per cent—highest ever in the history of Canada.

Mr. Speaker, there are in Canada today many families living below the poverty level. For example, in 1977 there were in Canada 659,000 families living below the poverty level and last year there were 7,000 more. That is 666,000 Canadian families. As for individuals, the situation is the same. In 1977, 842,000 individuals were below the poverty level and last year or the following year there were 886,000. However, in spite of that, as I said, the Minister of Finance has just raised the interest rate to 14 per cent.

Borrowing Authority

[English]

That is the highest it has ever been in Canada. He is getting off to a very bad start as a new Minister of Finance, particularly when you read his old speeches where, before the election, he was very concerned about keeping the bank rate down. I wonder how many backbenchers in the Conservative party really support him.

Some hon. Members: Hear, hear!

Mr. Nystrom: One or two over there are having difficulty. I see three members who applaud the Minister of Finance.

Some hon. Members: Hear, hear!

Mr. Nystrom: I am really happy. Only two applauded the Minister of Finance, and about 15 are applauding me. The Minister of Finance should look over his shoulder because the long knives might be coming out very soon. I am interested in knowing where the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) is. I hear he has some very interesting comments to make about the bank rate.

An hon. Member: What about Edmonton West?

Mr. Nystrom: Perhaps, too, the hon. member for Edmonton West (Mr. Lambert). I know quite a few members of the Conservative party who came here full of vigor and enthusiasm who are not very happy with the Minister of Finance for raising the bank rate. Perhaps the true colour of the Conservative party is starting to show. The Minister of Finance who represents the big boys, the corporations, is an extreme right winger. Perhaps the true colour of the Conservative party is coming through.

I will be very interested in seeing some of the new backbenchers getting up in this House to tell us exactly where they stand. The hon. member for Kindersley-Lloydminster (Mr. McKnight) has already stated that his party is the high interest rate party. I would like him to get up in this House and tell us the philosophy behind that statement, so the Canadian people can get directly from his mouth that the Conservative party is for the fisherman, home owner, or the person who wants to build a house—the average Canadian. The Minister of Finance is more than just a bit of a hypocrite when he introduces policies like that, considering his past record as a critic in the opposition.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, this week we have been treated to an extraordinary example of the attitude of the new government toward democratic parliamentary operation. It is fitting that we should have this opportunity in this House on this borrowing authority bill to be talking about a new government's approach to open government. An extraordinary situation we have found coming from a man who was probably the number one outspoken critic of the previous government for what he termed their arrogance. It was he more than anyone else who liked to talk about the arrogance of the former prime minister, yet this week we have seen an attitude that goes far beyond anything that can be termed