abandoned in others. Farmers were borrowing in greater amounts just when interest rates were increasing at an unprecedented rate and banks were pulling in record profits, $1.7 billion last year. In the early seventies credit costs ranked about eighth or tenth in the farmer's cost of production, but now the cost of credit is the highest cost facing farmers in Canada. And while farmers were borrowing in greater amounts, the Farm Credit Corporation was prevented from keeping up with the demand for farm credit. Long-term credit at fixed rates was becoming less and less available.

Agriculture in Canada is in desperate straits. With the Government's record of destabilizing policy changes, the reduction of farm credit interest rates by 4 per cent is a feeble attempt indeed to deal with a very grave problem. In fact, the Government's plans to change the Crow rate promises to throw another left-handed monkey wrench into the works. The repercussions of this latest policy change will be drastic.

It is no secret to western farmers that agriculture and transportation are intrinsically meshed into the fabric of life in rural Prairie communities. Farmers have known for years that the two are interdependent. It is only Liberal Government bureaucrats here in Ottawa who would like to pretend that the two, agriculture and transportation, can somehow be pulled apart, dissected and analysed. These enlightened people then advise their political mouthpieces to close this branch line or that branch line to increase transportation efficiency, and the farmer who has to get his grain to market foots the bill for trucking to an elevator a lot more distant than the one he used to reach on a branch line.

The closing of various branch lines on our railway system in the Prairies and the erosion of the transportation system caused by these closings have dealt a death blow to many farmers whose operations were already teetering precariously on the verge of bankruptcy before their branch line died. If statutory grain rates—the Crow rates—come to an end, so will the life of many smaller communities. The closing of branch lines is the first threat to the prosperity of many small towns in my riding.

Here in Ottawa, when the policy makers at Transport Canada look at a map and see a branch line leading to a small community like Broad Valley or Fisher Branch in Manitoba, they feel no pangs if a decision is made to cut rail service to these communities. For them, it is an unemotional, supposedly pragmatic decision. But let me tell you, Mr. Speaker, it is not an unemotional issue for the farmers in those small communities. Just a few weeks ago, I attended a Canadian Transport Commission hearing at Fisher Branch in my riding. The hearing was to take evidence about the future of a branch line operated by the CNR. Fisher Branch and Broad Valley, the two communities most concerned about the possible loss of the rail line, have barely more than a couple of thousand people living in their areas. Still, well over 100 people crowded into a community hall to voice their opposition to this closing.

Perhaps the most moving submission was from a group of high school students who urged the three CTC commissioners to consider their future. It was interesting, Mr. Speaker, to see the cross-section of people who came to this meeting, farmers and their wives, along with their sons and daughters. Many farmers know their children will not follow them in their lives on the farms and they lament that development, as do their children. This was something that became clear to me as I listened to the high school representatives' plea for the continuation of service on the Inwood rail line.

To officials in Ottawa, there may not be much knowledge or concern about the way policies made here affect individuals out west, where there is nary a Liberal to be found after one leaves Winnipeg to travel north, south or farther west. Is it too callous to think that the Government does not care about westerners because westerners do not elect them? I would hope this Government is above such pettiness.

In the west, Mr. Speaker, things are done in traditional ways and people have come to depend on institutions that provide security for those traditions, like the Crow rate and more recently the Farm Credit Corporation. The Farm Credit Corporation is the only agency which offers long-term, fixed interest loans to farmers. FCC loans can now be obtained at 15.75 per cent interest. The floating rate available from banks or credit unions is for the time being somewhat lower than that. Unless the formula now used to set FCC interest rates is changed, permitting the Corporation to lend at less than 15.75 per cent, if funds can be had at a lower rate, much of the FCC fixed interest credit may go unused this year as farmers cash in on the temporary reduction in interest rates from commercial lending institutions. Already the Provinces are being pressured to move into the subsidization of farm credit. We could soon see a patchwork of subsidization programs which again stimulate production shifts from one region of the country to another.

The Canadian Federation of Agriculture has recommended time and again the introduction of an agri-bond program similar to the small business bond. Under this proposal, the Government would give the FCC authority to borrow short term, three to five years, by the issues of financial instruments on which the interest is tax free. This money would then be loaned to farmers requiring money at lower interest rates, not only for debt consolidation but also for essential investment and working capital. This is a proposal which could and should be introduced quickly. It is, I would submit, a more rational and long-term solution to the farm credit crisis than the 4 per cent interest reduction which will be granted to not more than a few hundred Canadian farmers.

If we are going to have any stability in Canadian agriculture, the Farm Credit Corporation must be expanded to provide enough long-term credit to service the bulk of farm credit needs across the country. It needs to be expanded too to provide short and also medium-term credit in special cases. I am thinking here of cases where FCC credit could help a new farmer get started.

But expanding the Farm Credit Corporation is not enough to bring stability back to Canadian agriculture and stimulate increased production. If stabilization programs are provided on a federal basis, and if marketing systems are in place which