small program for a very few hundred young farmers. It is really the responsibility of the federal government to enact wider range programs to help all farmers in the current cash shortage resulting from the cost-price squeeze. This act extends somewhat the maximum amount a farmer can get and makes some more money available, but at a cost to farmers of prime rate plus 1 per cent.

Because the farmers of Canada are in up to their necks, Mr. Speaker, they are like those gallant show business people who sing:

Hey, look us over,
Lend us your ear
Fresh out of clover
Mortgaged up to here

Mr. Kempling: Sing it!

Mr. Hovdebo: They are mortgaged to the hilt. Farm indebtedness at the end of 1979 was $9 billion and the interest charges paid on that principal was $1.24 billion, an increase of 71 per cent on the debt payments of only three years ago. In fact, payment of debt is the fastest growing thing on Canadian farms. The Canadian government is providing the fertilizer for this phenomenal growth.

In 1980, debt payment on the anticipated $10 billion outstanding will be the largest single expense to farmers. It will cost more than feed or farm machinery costs and is growing faster than weeds in the back pasture.

The farmer has been placed in a position where he must try and find money at almost any price. Even at these high interest rates it may not be available. Farm Credit Corporation personnel have said they will only be able to meet two thirds of the demand in this fiscal year.

● (1430)

There is an alternative program which any responsible opposition party must put forward. We must recognize immediately and frankly that an emergency situation is facing farmers in Canada. It is a situation which is not of their own making. It is a situation which is causing thousands of them to go to the wall right across the country. In the past three years, the number of farms in Prince Edward Island has decreased by 16 per cent, the number of farms in New Brunswick has dropped by 22 per cent and similar figures apply all across the country.

Mr. Speaker, do not believe the propaganda which seems to have gotten to the Minister of Transport (Mr. Pepin)—that farmers are changing their minds about the Crow rates. If you faced the kind of prospects I have outlined here today, would you be asking for a five or sixfold increase in freight rates? Such increases would only mean still greater losses. Western farmers intend to protect their statutory rates. They really have no alternative.

What we desperately need are interim measures, and in this regard the government would do well to consider the recommendations contained in the National Farmers Union farm emergency measures program which was presented to the government on April 22. Among those recommendations were requests for two short-term measures which the government should consider carefully: first, a moratorium on all farm debts which threaten a farmer's livelihood on the land. This kind of federal guarantee, so popular with large operations such as Chrysler, would show that Ottawa places as much importance on the growing of food as it does on the assembly of automobiles. Of equal importance, it would show that the federal government has the same degree of commitment to the farmers of Canada as to the automotive industry.

Second, the federal government should provide credit guarantees to needy farmers in respect of 1980 farm operating costs. Such a move would recognize that many of the inflationary forces adversely affecting farmers at this time are not of their making and that farmers deserve some measure of protection, particularly if their credit needs are not being met by existing institutions.

The bill before us does not guarantee that farmers will get the credit which is available. An investment in the growing of food by the government would help ensure protection against hyper-inflation of food prices six months from now when the effect of reduced production hits the food market. Let us not be fooled. We must recognize that if farmers do not get help now they will be forced to cut back production.

Although I am not opposing the changes put forward in this bill, I hope the government will recognize the present crisis in farming and use this legislation, along with other measures, to alleviate the situation. I say this because the crisis is becoming more acute every day. In the prairie provinces it is being accentuated by the extra factor of a sustained drought. The embattled farmer faces high costs for chemicals, machinery and land. In return, he gets low prices for pork, low prices for the stock he wants to sell. These figures are being pushed down to a considerable extent by the drought as well as by high interest rates.

The grain embargo has almost certainly eliminated the prospect of a final payment on grain this year and farmers face predictably lower prices for grain in the coming crop year, again because of the embargo. Most farmers feel that in the circumstances there is little chance of coming out ahead of the game. They are likely to lose money. They are likely to be selling below the cost of production again this year in all areas. But farmers are optimistic. They will continue to farm even despite this prediction, and Canada can thank them for it. It is a responsibility of the government to deal with this crisis wherever and however it can.

We are considering a bill which will provide some extra money for farmers to borrow. If we lend it to them at the business rate, the prime interest rate plus 1 per cent, we shall be driving more farmers out of business. So I urge the government to give them the opportunity to borrow at a lower rate, possibly at a rate which would amount to only a service charge.

Also, let us make enough money available so all farmers have a hope of surviving. Better still, let us put into effect the