full discussion on the subject. As long as there is the understanding that by proceeding in the manner suggested by the hon. member for Winnipeg North Centre, and I believe he is of the same view as I on this matter, the fullest possible discussion will be permitted, then we have no problem. Otherwise, we will have to call Clause 1 so we can have that kind of full discussion.

The Chairman: I think I should refer the hon. member to Standing Order 75 which probably deals with the question he has raised, and the reason Clause 1 is usually stood during consideration in committee.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, with respect, I am not sure the hon. member for Yukon has as yet made clear the point he has raised, but I think I understand it. What he wants to be sure of is that in discussing the items under agriculture members will be free to discuss agriculture generally. I submit, Sir, that is what has been happening in the debates we have had thus far. I also submit that the wording of these various items is such that it is pretty hard to restrict discussion. After all, under agriculture, we will be discussing production and marketing. What is there in agriculture that cannot be considered under one of those headings? Then, when we come to national health and welfare we will be discussing income security and social assistance. What is there which cannot be brought up under those headings? I submit there is really no issue here. These items are broad enough that discussion will take care of itself.

● (1650)

On Clause 2—*Schedule.*

Mr. Horner (Crowfoot): Mr. Chairman, it seems clear in the minds of members of this House why this latitude should be allowed in respect of Clause 2 and Schedule A. The first item deals particularly with production and marketing. A situation occurred in eastern Canada, as a result of which there were huge crop losses and farmers were in dire need of assistance. The government, therefore, has proposed a program which suggests a payment of $400 per farm to approximately 26,000 farms. The whole question of production and marketing involves other problems in Canada. We have the concern of the consumers in respect of the high cost of food. Now, when we have a situation in which $400 is to be granted per farm this will not be of major help to farmers who have suffered particular crop damage. If a farmer is in need of help, I do not believe that an amount of $400 will be of very much assistance.

In looking at the whole field of agriculture, and in comparing our productive capacity with that of other countries, one must look a little further afield than this expenditure. I should like to read about some of the problems Canada faces in relation to our major agricultural neighbour to the south, the United States. I shall read from the annual review, 1968 of the Economic Council of Canada in which mention is made of the challenge in respect of agriculture and productivity in Canada. A comparison is made between Canadian agriculture and that of the United States. I am reading from page 86:

While growth rates in agricultural labour productivity have been similar in Canada and the United States, levels of labour productivity differ significantly. Over the past two decades, output per farm worker has been consistently lower in Canada than in the United States. In percentage terms, this relationship has changed little over the years. In terms of net value of production per worker, Canadian farmers produce on the average 25 per cent less than U.S. farmers. In terms of gross value of production, the disparity is about 35 per cent.

It goes on to suggest the following:

Thus, any significant narrowing in this gap would require a sharp acceleration in productivity growth in agriculture in Canada relative to the United States. For example, assuming that U.S. agricultural productivity growth over the next two decades were to approximate that achieved over the past two decades, Canadian farmers would need to step up their productivity growth by more than half—from 5½ per cent to over 8 per cent per year—to catch up to U.S. productivity levels by 1990.

This article further suggests that part of the problem in Canada is that we have not put enough money into machinery and into the additional capitalization needed in the agricultural field. It reads:

In the United States machinery input per form worker has been about 30 per cent higher than in Canada.

This gives us a glimpse of some of the problems involved in agriculture today. One might recall that the former minister of agriculture—I am not sure whether it was in this House or when addressing the farmers—suggested that the farmers bought too much machinery and that was part of their problems. Actually, they have not purchased sufficient machinery. We have the land, but we have not done enough with it.

We might look at the annual report of the Farm Credit Corporation for 1971-72. I shall refer to the amounts in round figures. It is shown that in 1967-68, the corporation lent to farmers an amount of $263 million. In 1968-69, the amount was $208 million and, in 1969-70, it was $160 million, while in 1970-71 the figure was $114 million. I am running through the figures shown in this report. The figure for 1971-72 was $114 million. This shows a decrease in the amount of money used for the purchase of farm machinery and capitalization of agriculture. The thorough study by the Economic Council of Canada in 1968 indicates that the Canadian agricultural industry should be upgraded and that its input per farm worker is 30 per cent less than that of our United States counterpart, our competition one might say.

One might look at the amount of money invested in the prairie provinces, the three major agricultural provinces. In the province of Saskatchewan, an amount of $80 million was lent five years ago as against an amount of $30 million last year. In the province of Alberta, an amount of $65 million was lent five years ago against an amount of $19 million last year. This indicates a decrease in capitalization. No wonder we see the agriculture industry severely handicapped today. No wonder we see, on the next page of the same annual report, that an amount of $8 million in arrears is shown against the three prairie provinces. This indicates a direct curtailment of capital. A number of farmers go broke. One cannot go broke until one runs out of money. If the government curtails the money supply, this has an effect on the interest rate. Statistics can be found in the same book, the annual report of the Farm Credit Corporation, indicating that something like 60 per cent of the money lent was for the purchase of land, for the change of ownership or for the