

community at large in that area prospers. In the broadest sense, the same applies to our nation as a whole; as goes agriculture, so goes the nation. The Government of Canada must recognize this fact and must move on many fronts to give the agricultural community those advantages and programs necessary to its continued existence, and to give farmers a place of dignity in Canada's economic community.

● (1420)

Mr. Whelan: Mr. Speaker, I wonder if the hon. member would permit a question.

Mr. King: I will permit a question. I am not sure if I can answer it, but I will make an attempt.

Mr. Whelan: I have known the hon. member for quite some time I know his background. He talked about the cold storage assistance program. I do not want to create the impression that he intentionally forgot to mention that that was brought forward by the Government of Canada and that his province took advantage of 50 per cent of the funds under the cold storage assistance program for controlled atmosphere temperature storage, jacketed storage and cold storage. It allowed the British Columbia fruit producers, namely apple producers, to export to, I believe, 82 countries last year because they had such a high quality product. Did he intend to admit the fact that it was the Ministry of Agriculture of the Canadian government that made it possible?

Mr. Knowles: Is that a question?

The Acting Speaker (Mr. Blaker): I think the Chair should intervene in the sense that normally debate is not encouraged in the circumstances, but the Chair will recognize the hon. member for Okanagan-Similkameen (Mr. King). Other than that, we will proceed to the next member who wants to enter the debate.

Mr. King: Mr. Speaker, having acted for packing houses in the Okanagan which took advantage of this act, I certainly was not trying to exclude anyone from applause because of its availability. I just point out there are acts that can be implemented. There are programs that can be instituted which are of great benefit to the farming community, and this is one of them. We should seek to find more opportunities to enhance agriculture in Canada. The act before us today provides a modicum of such enhancement.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, on this my first opportunity to speak to this House on a formal basis in this session, please accept my congratulations on your appointment as Acting Speaker, and kindly pass on to Madam Speaker my congratulations and expressions of pleasure at her appointment.

It is becoming increasingly obvious that the downturn in the economy of the country is having a disastrous effect on the agriculture industry all across Canada. My colleague, the hon. member for Humbolt-Lake Centre (Mr. Althouse) will also discuss some of the effects of this disaster.

Farm Improvement Loans Act

As a westerner and a representative of a farming area, I feel that I cannot pass up an opportunity to speak to Bill C-27, to amend the Farm Improvement Loans Act. I recognize that this amendment is intended only as a relief from the pressure on certain borrowers, raising as it does the maximum level from \$75,000 to \$100,000 and changing the responsible minister. It is because of those limited intentions in this bill that I feel I must speak out and put before the House some of the shortcomings of this amendment, and put this whole issue of farm credit in the context of what is really happening down on the farm.

This House should be well aware that a crisis exists in agriculture in this country. While the price of what the farmer sells remains static or declines, the price of what the farmer buys outpaces Canada's quite unacceptable rate of inflation.

The general farm input index with a 1971 base of 100 reached 234.1 for the last quarter of 1979 and is now increasing at the rate of 15 per cent per annum, half again as high as the increases recorded in the national inflation indicator, the consumer price index. In just ten years, Mr. Speaker, the farm dollar has shrunk to only 42 per cent of its 1971 self. It is worth 42 cents today compared to what it was worth in 1971.

The price of a key farm input, fertilizer, has increased up to 25 per cent this spring. The reasons for this massive increase can be accounted for simply enough. Higher transportation costs, higher natural gas prices, the decline of the Canadian dollar and increasing interest rates are a few of the reasons that can be put forward.

The federal government can influence all of these factors, and the fact that they have been unable to do so in the past few years is a telling comment on the Liberal party and Conservative party's economic policies. During the past three years all we have been given by these governments are a dozen dry and dusty after-the-fact analyses by academic economists. Farmers do not have the luxury of waiting until after the fact. They must make their purchases for the current crop season now and pay the disastrous interest rates that are the direct result of the international policy on interest rates that is commonly known as the "beggar thy neighbour" policy. While the United States and the European Economic Community play this usurious game, the farmers of North America are sitting on the sidelines wondering how they will pay.

Here is an example of the immediate problems being faced by U.S. farmers in the month of March. The Canadian situation parallels it almost exactly. In that one month fertilizer prices increased 9 per cent, fuel by 3 per cent, machinery by 5 per cent, farm chemicals by 14 per cent. The Canadian situation is almost exactly the same and there is no cheap money to help the farmers offset these increasing costs.

Farmers, like other sectors of small independent businesses, shopkeepers and working people, are among the economically weak in our society who do not profit from inflation.

The government of Saskatchewan is making FarmStart loans available this year at 8 per cent for the first five years and 10 per cent on the final ten years. But FarmStart is a very