

*Supply*

recognize the gravity of that crisis, I want to ask a question for clarification.

During the course of his speech the Hon. Member referred to the study on input costs with which the Standing Committee on Agriculture is currently engaged. One thing which has come to light during the course of our hearings is that PSR 80, a regulation enacted by the previous Government, has had a very negative impact on input costs. There is a widespread negative reaction, and has been for a considerable amount of time, to PSR 80. Given that, how could he and his colleagues, members of the previous Government, have permitted that legislation to be enacted? Why was it allowed to remain on the books for the four year life of that Government?

**Mr. Foster:** Madam Speaker, that is an important question and an important problem. Clearly if this was 1978 or 1980 we would not be as concerned. However, look at the situation we have today. Land prices are not increasing at an 18 per cent rate. Wheat is not a couple of hundred dollars higher in price.

Given our studies in committee it is clear we must move toward the kind of recommendation made in the Senate report on herbicide pricing. That suggested we should have a compulsory licensing arrangement for farm chemicals. Whether it is done in the manner prescribed in the report, or in the manner used in Australia, where prices of certain farm chemicals are half what they are here, we do not have any choice. Action should be taken because it is not just a farm input cost we are concerned with here. That is very important, but we are concerned with conservation.

The Senate report recommended compulsory licensing with a period of exclusivity for the company making the chemical for a period of four years or perhaps more. That report recommended that a fund be established to compensate the chemical company concerned. In the long run chemicals would come on stream much earlier than they do now and we would have a kind of generic pricing system for producers.

**Mr. Redway:** Madam Speaker, as I read over the motion put forward today by the Hon. Member, and as I listened to the words of concern and care and the help which has come from the Minister of Agriculture (Mr. Wise) over the past two and a half years, I certainly, as a Member of Parliament from an urban area, have been made aware of the desperate plight of Canadian farmers. I certainly understand the great concern out there in rural Canada. That concern is shared in urban Canada as well.

However, as I listened to the Hon. Member I could not help but think back to the days when he was a member of the previous Government in the early to middle 1980s. That Government was responsible for an increase in interest rates to an astronomical level. I could not help but think of the days when interest rates hit 22 per cent. I could not help but think of the farm bankruptcies that that caused right across this country. I could not help but think of the havoc wreaked and devastation caused by the policies and approach of the Government of which the Hon. Member was a part, and the

Party of which he is still a member and supporter. I could not help but think about how that cut the underpinnings of Canadian agriculture and laid it flat. Certainly it was left weakened, indeed helpless before the onslaught of world conditions which have ensued since that time. The Minister of Agriculture and the Government have been struggling with those conditions valiantly and in many case quite successfully to help farmers.

When the Hon. Member reflects back on these things is he not truly embarrassed to get up in this House and make the statements he makes? When he goes out to talk to farmers in this country does he not really feel ashamed of himself?

**Mr. Foster:** Madam Speaker, I listened with great interest to the Hon. Member for York East (Mr. Redway). I was pleased with his comments about the concern in urban Canada. I read an Angus Reid poll last May or June which indicated something like 75 per cent of Canadians thought farmers were facing the most difficult time since the 1930s. They thought this would have an extremely adverse impact on the national economy.

I would point out to the Hon. Member that the increase in interest rates in the late 1970s was a world-wide phenomenon. The Republican Government of the United States decided that was the appropriate way to handle certain problems. However, one of the great problems we have today is still that of reducing interest rates. As recently as a few months ago something like 32 per cent of all FCC loans carried interest rates between 12.75 per cent and 16.75 per cent. Most of the loans carrying the 12.75 per cent rate were due to the use of \$575 million which was unused in the fall of 1984 when the Minister gave permission to farmers who were on their last legs and about to lose their farms to convert mortgages above 14 per cent to the 12.75 per cent rate.

We are now dealing with an issue which involves the vitality of rural Canada, especially in grain growing areas. It will require every bit of ingenuity and know-how we can muster in this House to meet that challenge and come out of the trade wars with our rural communities intact. We will have to do that if we are to maintain a reasonable percentage of our young farmers on the farm and maintain the vitality of the community life which still exists.

• (1630)

**Hon. John Wise (Minister of Agriculture):** Madam Speaker, I welcome the opportunity to rise in the House to respond to the motion before us today. At the outset, I should like to express appreciation to the Hon. Member for Prince Albert (Mr. Hovdebo) who allowed me to enter into the debate at this time. Hopefully it will provide me with the opportunity of sitting down with the Board of Directors of the Canadian Horticultural Council at a meeting later today.

I have seldom in the past, if ever, witnessed so much nerve, hypocrisy, and gall. I am referring particularly to the fact that this motion has been put before us today by the Liberals. The