

production. This will show up in the form of increased food prices to the consumer in years to come. If the government had some programs to help these people, they would have some incentive to try to hang on, to stay in business, and to produce food for the consumer for another year.

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, the hon. member approaches the problem from a different point of view. I think it is a very valid point of view. Perhaps the hon. member did not hear that the government announced this morning it would be paying out \$81 million, mainly to western grain farmers.

**Mr. Epp:** Four hundred dollars each.

**Mr. Trudeau:** Perhaps it was not made known to the hon. member opposite this morning, but I am announcing it now if he has not heard.

**Madam Speaker:** The hon. member for Portage-Marquette.

**Mr. Trudeau:** I indicated that it would be \$81 million. Obviously—

**Madam Speaker:** Order, please. The right hon. member does not have the floor.

#### APPLICATION OF LOWER INTEREST RATES

**Mr. Charles Mayer (Portage-Marquette):** Madam Speaker, certainly that announcement is welcome. I know it will be well received, but we have some concerns about this announcement.

I could indicate specifically to the Prime Minister that there are programs available to the American farmer through the so-called federal intermediate banks and production credit associations which are now making credit available to farmers at 16 per cent simple interest. If we take prime plus one and calculate it on an annual basis, it looks like we are paying something like 6 per cent more for farm credit than the Americans.

Would the Prime Minister be willing to use the Farm Credit Corporation or the FBDB to look at some of these new and imaginative ideas the Americans have been using, and some of the ideas we may have, in order to bring down interest rates to the farming community?

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, this is the purpose of the Farm Credit Corporation; it subsidizes interest to farmers in Canada.

**Some hon. Members:** Oh, oh!

#### SHORT-TERM CREDIT

**Mr. Charles Mayer (Portage-Marquette):** Madam Speaker, my further supplementary question is directed to the Prime Minister. He should know that the money made available by the Farm Credit Corporation is not for financing on a day-to-day basis, for example, to buy fertilizer and to feed cattle.

#### Oral Questions

Those are the kinds of things about which I am talking. We are not so much concerned about long-term interest rates. It is the short-term interest rates. I think we could come up with some of these concepts, if the government were really serious about looking at them.

Again I urge the Prime Minister to see whether we could use the Farm Credit Corporation or the FBDB to look at some of these instruments to bring down the cost of operating credit, not only to farmers but also to small businesses.

**Some hon. Members:** Hear, hear!

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, the hon. member's question has already been answered by the Minister of Finance.

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#### EXTERNAL AFFAIRS

##### EL SALVADOR—NEGOTIATIONS OF PEACEFUL SETTLEMENT

**Mr. Edward Broadbent (Oshawa):** Madam Speaker, my question is directed to the Right Hon. Prime Minister. On Monday in a speech in the House of Commons the Prime Minister raised the question "who is my neighbour", and quite correctly asserted that when children are being murdered, or trade unionists are being jailed anywhere in the world, appropriately we should all be regarding them as our neighbours.

Considering that the former United States ambassador has said that the security forces under the control of the government of El Salvador have murdered 5,000 children and that trade unionists are being arrested daily in that country, including three who were arrested the day before I arrived in San Salvador, I should like to ask the Prime Minister quite seriously whether his vocabulary concerning ideals for the Third World means anything? Should he not now show leadership and join with the Government of Mexico in attempting to negotiate a peaceful settlement of the violent conflict in El Salvador?

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, the hon. member knows, because he was in that country, that acts of violence are being committed by both sides. I would not attempt to balance statistics for either side. I would recognize that both sides have extremists who are committing needless acts of violence.

● (1425)

As a solution, the hon. member proposes a negotiated settlement. The Secretary of State for External Affairs yesterday quoted the words of President Duarte which indicated that he, too, wanted negotiations. He wanted negotiations which would result in a free election. That does not seem like something which is unacceptable to this side or to the hon. member's side. Surely we both agree that a political solution is what is necessary in El Salvador; and I believe those words have been used by the Leader of the New Democratic Party