

*Routine Proceedings*

[English]

Mr. Speaker, it is certainly too high. If we look across the border to the United States we find that the Federal Reserve in that country has kept the American bank rate at about 400 bases points lower than we have in this country. That is an historic high in terms of the difference between the United States and Canada. The bank rate in that country is about 4 per cent lower than here in Canada.

Why do we have this historic high? It is almost without precedent that the bank rate in this country is about 4 per cent higher than the bank rate in the United States.

Enough is enough. The Minister of Finance should intervene and say to the Governor of the Bank of Canada that enough is enough, the bank rate is hurting the government and putting people out of jobs. It is hurting farmers across this country as well. The bank rate must come down not by one point but by at least two points in the next few weeks to put our finances in order.

Why don't we as Canadians say: "What we need is a made-in-Canada interest rate policy"? Why don't we have that independence to assert ourselves and have a made-in-Canada interest rate policy that will help this country in terms of our productivity, in terms of our ordinary citizens from coast to coast?

The chairman of the finance committee disagrees very strongly with the Minister of Finance. Some of the Conservative members of the finance committee disagree with the Minister of Finance. My friend from Calgary disagrees with the Minister of Finance. He stands very strongly behind the chairman of the finance committee. The member from Calgary is saying: "Enough is enough, let us bring down the bank rate".

Why does this House not speak independently, strongly and clearly for once and say to the Minister of Finance: "Go and talk to John Crow. Take John Crow out of his ivory tower. Show him the real world. Show him how he is hurting this country with a tight money policy that drives up the cost of living for ordinary Canadians and throws people out of work"?

The real interest rate in this country is the difference between the interest rates and the cost of living. Today, it

is running at the same levels that we saw in the recession of 1981-1982. We remember that. We have had members across the way talking about those Liberal days when the bank rate was extremely high, at around 17 per cent or 18 per cent, and the cost of living was running at about 12 per cent or 13 per cent. They are talking about how interest rates really hurt the people at that time. Of course that is true. But the difference between the bank rate and the cost of living at that time was no greater than it is today. The real interest rate today is at the same level as it was in the recession of 1981-1982.

I suggest to you, Mr. Speaker, that the time for action is now. The time to bring down the bank rate is now.

I want to go into some other reasons why that should be done. We have in this country now, if I can be blunt with the House in terms of where I come from, a farm debt crisis like we have not seen for a long time. I have talked to members in the Conservative party from the prairies over the last few days who are getting the same feedback and seeing the same reality in their ridings as we see in ours. It is that many farmers are being foreclosed upon by banks, credit unions and other financial institutions because farm income now is at a level that is much too low.

In fact, there are some municipalities in Saskatchewan where 48 per cent or more of the farmers in those municipalities have received foreclosure notices from banks or other financial institutions. One of the reasons why that is happening is that interest rates in this country are much too high and farmers simply cannot afford to pay the interest, let alone the principal, on the debts that they have incurred.

Surely to goodness, Mr. Speaker, this Parliament, if there is any relevancy at all to this place, should be saying: "We agree with the finance committee, the bank rate is too high. Mr. Crow, bring it down and bring it down now".

Interest rates are not the only reasons why farmers are in trouble. Price inputs are too high. The GST which is coming up will complicate matters for farmers in terms of the red tape and the bureaucracy they have to go through. Farm incomes are too low. What a farmer gets for a bushel of wheat today is not nearly as high in real dollars as what a farmer got back in the 1920s, the 1940s and the 1950s.