

[English]

AGRICULTURE

EFFECT OF BANK INTEREST RATES ON FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. There is an emergency situation facing many agricultural producers today, in western Canada and other parts of the country, because of high bank interest rates on loans. Such is the situation being faced by a producer in Kisbey, Saskatchewan, and one in Choiceland, Saskatchewan, who contacted my office today. As well, during the election campaign, the Government made a commitment to provide additional funding in order to write down existing bank loans to current-day interest rates. In view of those facts, is the Government prepared to move immediately on the commitment made in the election campaign to reduce interest rates on existing bank loans?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome the question of the Hon. Member. I am very much aware of the very serious problem that exists in the agricultural community. On the other hand, I think we do not wish to over-emphasize the problem.

I have indicated in the House before that we are working with our provincial counterparts. I have met with them all. I am in the process of holding discussions with people from traditional lending agencies.

At the moment, we have under suspension the farm bankruptcies and foreclosures of the FCC. Indeed, that is the only area in which we have legislative authority to do so. I met with my provincial counterparts a couple of weeks ago and we are looking at three or four options. One of the options mentioned by the Hon. Member is an option that is being studied at the moment.

GOVERNMENT ACTION

Mr. Maurice Foster (Algoma): Mr. Speaker, how can the Minister justify this lack of action when the recent report of the Farm Credit Corporation indicated that 1,700 agricultural producers are facing total financial collapse this coming winter and when the Government, in its own campaign literature, indicated that it would be prepared to write down these farm loans to current-day interest rates? It does not seem to me that that depends upon the provincial Premiers. It depends upon the Government, the Minister of Finance and the Minister of Agriculture acting now.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I cannot understand why the Hon. Member should take that position. Indeed, we have not been waiting. We must recognize that write-downs require legislative changes to the Farm Credit Corporation Act.

We have put the bankruptcies into suspension. We have provided some \$60 million to western Canada for the drought. We have provided the \$123 million final payment from the Western Grain Stabilization Fund. The Minister of Finance

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gave a break to the food producers of the country to the extent of at least \$100 million.

I do not think that we have waited. I do not think that we have ignored the problem. I think that we have acted appropriately, and have acted within our legislative authority.

Some Hon. Members: Hear, hear!

POTATO MARKETING IN EASTERN CANADA—DISCONTINUANCE OF COMMISSION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture. After 12 years of reorganizational studies and discussions of marketing proposals for the eastern Canadian potato industry, a commission of inquiry under Judge Carter was established to investigate the many charges and allegations of wrongdoing and exploitation in that industry. Since the Minister has apparently felt that the inquiry's very existence and its ability to subpoena witnesses is a threat to the existing establishment in the potato industry, can he tell the House how he has aided the potato farmer by stopping this inquiry?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, no one is more anxious to improve the marketing conditions in eastern Canada than I. I am certainly very well aware of the problems which exist there.

If the Hon. Member really knows about the problems in the industry, I think he will recognize that that industry has been studied to death. I can tell the Hon. Member that I have had conversations with all of my provincial counterparts in eastern Canada and they have given me their advice with reference to the advantages and disadvantages of continuing the Carter Commission. It was obvious that the bottom line was that the Carter Commission was probably going nowhere. What is the use of using public funds to study that industry again if the political will is not there?

What will happen is that the submissions that have been made to the Carter Commission will be turned over to the National Farm Products Marketing Council. The Council will update its 1981-82 study. We will get that information—

Some Hon. Members: Order!

FUTURE PLAN

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, since the Minister has turned the information over to the National Farm Products Marketing Council, can he tell us what alternative plan will be put before the producers of eastern Canada? Will there be a marketing proposal put forward for those producers in both eastern and western Canada so that a plan may be decided upon in the near future?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it seems to me that the logical approach would be to let the National Farm Products Marketing Council have an opportu-