

what the Hon. member suggested could possibly happen, that action would certainly not have been taken.

We have been in contact with the banks to have an understanding with them of how they intend to proceed. Let me assure the Hon. Member that what he suggests will not happen.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Minister knows from the testimony of the FCC itself before the Agriculture Committee that over 16,000 farmers are now in arrears on the credit lines of the corporation itself. Six thousand of them have been in that situation for over two years. The conclusion is that they have a dangerous potential for bankruptcy.

The fall in farm prices and the lack of a deficiency payment precipitate even a further pressure on those farmers. Why will the Government not include the banks, which share the responsibility along with the Government and farm organizations, to work out a debt restructuring system to ensure that there will be no further attempts by the banks to foreclose, and to ensure that farmers can go ahead in the expectation that they can get loans and credit this year in order to put seed in the ground? Why does the Government not show some leadership in this issue?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I do not know where the Hon. Member has been for the last two and one-half years of the Government. If he had been paying attention to what has been happening in the House he would have been here when we passed the Farm Debt Review Board legislation. Those boards have been in operation since last August and have gained some experience in how to deal with some of these situations. That which he suggests in his question is exactly what is happening through the Farm Debt Review Board appeal process. Those boards will be looking at every case, as the farmer so chooses, that the Farm Credit Corporation processes so that people have the option of dealing with the Farm Debt Review Board that has been in operation for some eight or nine months and gained some experience in how to deal with these situations.

The process that is under way is exactly as he suggests in his question. We have been doing our job in showing some leadership. If the Hon. Member had only paid attention he would know what was happening.

REQUEST FOR GOVERNMENT ASSURANCE ON FARMERS' INCOME

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. The Minister knows that the billion dollars promised last year and is still coming was for last year's crop. He also knows that \$705 million that is coming in for western grain stabilization is a deficit on last year's crop. Most of that money is not going to the pockets of the farmers but directly to

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the banks. The Minister knows that businessmen depend on the farm. The farmers need some assurance for the fall that they will get money back. Can the Minister give us that assurance? Will the Government give us that assurance now?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I can give the Hon. Member assurance on two matters. We will fully support the Canadian Wheat Board in selling the record crop that we produced during the 1986 growing season.

I can also assure the Hon. Member that the federal Government will, in all likelihood, see that there will be a record payment under the Western Grain Stabilization Act this fall. That money will come entirely from taxpayers' money because the Hon. Member knows that the fund is in deficit.

The Wheat Board will continue to sell and farmers will be able to market a record amount of grain. Second, there will be a record final payment under the Western Grain Stabilization Act this fall.

Mr. Hovdebo: The record amount of grain does not help us very much with the price at which the Wheat Board is selling it. That is the real problem.

SITUATION OF FARMERS—GOVERNMENT POSITION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the suggestion that the Farm Credit Corporation will begin to foreclose adds to that situation because it not only affects the farmers but all the rural businessmen who depend on the farmers. Will the Government give us the assurance that it will allow for that kind of money?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, since this Government came to power we increased agricultural spending substantially, over 60 per cent in the first two years of this Government as compared to the previous two years of the last Government.

Second, we estimate that we will increase the amount of spending on agriculture in western Canada by 50 per cent in the present year. We have supported agriculture in the past, we are supporting it now, and we will be there to support agriculture in the future.

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ENERGY

PROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO CANADA—CANADA-UNITED STATES TRADE NEGOTIATIONS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Yesterday, Mr. Bruce Smart, the American Undersecretary of Commerce, said that if Investment Canada turned down Amoco's bid to purchase Dome Petroleum then Investment Canada would have to be negotiated away in the free