Economic Conditions

Mr. Mayer: A very conservative increase would be $1.50 a bushel. This would result in as much as $300 million being put into pockets of Canadian farmers. The brilliant economist from Ottawa Centre will know that the multiplier effect from the farming economy is probably higher than in other sectors of the economy, and a multiplier of three would probably be about right. So if the government chose to do so right now, it could put as much as $1 billion of purchasing power into the Canadian economy. Most of it would go to western Canada.

I hope the Minister of Agriculture (Mr. Whelan) will read this tomorrow. We like to think of the Minister of Agriculture as being a fighter for the farmer, but in the last couple of years he has become very tired looking and he no longer wants to stand up and fight for farmers. We find that rather discouraging. If he were to take the farmers' case, we could see as much as $1 billion of purchasing power put into the Canadian economy. That is what the government could do. It is the government's responsibility, not the Wheat Board's responsibility. The government has the responsibility for setting the initial payments. The initial payment has been set at $4.25. Grain has been selling at over $7 a bushel since the middle of November. There is absolutely no excuse for not increasing the initial price for grain. It would not cost the government $1. We have heard the previous speaker this evening saying that on the one hand we want to do this, and that on the other hand we want to spend more money. Here is something that the government could do that would not cost a cent in terms of additional government expenditure, but it would increase the purchasing power which all Canadians have and it would help the situation. That is one thing they could do.

Some hon. Members: Hear, hear!

Mr. Smith: Tell us your solution to interest rates.

Mr. Mayer: That would also help the interest rates because it would mean—

An hon. Member: Right on.

Mr. Mayer: One of the reasons we have high interest rates is that all sectors of the government in this country are competing for the limited amount of funds that are available, so there is less left for the private sector. The more money you put into circulation, by increasing the initial price of wheat, the more bills you can pay, the less money you have to borrow, the less pressure there is on interest rates, and therefore the lower the interest rates. That would certainly help to lower the interest rates. The economist opposite, the hon. member for Ottawa Centre, would have to agree with that. I urge him to speak to the minister in the other place, to speak to the Minister of Finance (Mr. MacEachen), and to speak to the Minister of Agriculture and ask them to do that. That is one thing that would help the Canadian economy considerably.

Another thing we could do would be to pursue some policies which would genuinely make the country self-sufficient in oil.

Mr. Smith: We are doing so.

Mr. Mayer: It is a strange way of doing it, to drive the industry out of the country. The figures I have seen tell me that somewhere between $12 billion and $18 billion was spent last year on exploration for oil in this country. Since the budget, announcements have been made by various companies, large and small, that they will not spend that kind of money next year. In fact, according to the figures I have seen, they will spend $4 billion less exploring for oil in 1981 than they did in 1980. If we kept that money in the country it would help our balance of payments, it would put less pressure on the Canadian dollar, which would also help industry. It would not cost taxpayers and the government one additional cent.

Let me tell you another thing that could be done that is the fault of the government. Western Canada has not had an opportunity to export the kind of grain it has been producing in the last four or five years. The estimate is that in the previous two crop years, in 1977-78 and 1978-79, we lost as much as half a billion dollars in sales to countries around the world willing to buy it, but we would not transport it to export positions because of the lack of a transportation policy. If we exported more grain, again it would mean more money that farmers would have in circulation, and less borrowing. That would help interest rates.

These are the three things we said we could do which would not increase taxes and would not increase government spending. These are things that could have been done.

I will talk about another thing that could be done which will not cost the government any money. We in the cattle industry have for a long time asked for a beef import law similar to that of the Americans in order to stabilize our beef industry in terms of the imports which come into the country, particularly those from Australia and New Zealand. We have seen the bill introduced for first reading, and it got absolutely nowhere.

● (0430)

If a livestock producer plans for the future expansion of his herd, he requires an assurance that when the expansion is in place he will have a market for it. We say what the lack of a beef import law has done to the industry in the past. It completely decimated the industry in the years 1974, 1975 and 1976.

I referred to the Minister of Agricultur earlier as not having the energy, zip and fight we would like to think he had on behalf of Canadian agriculture. He has not even seen fit to announce quotas, which he can do under the import-export act. If he did that it would give the livestock industry some encouragement and stability. It would help as far as food production and food costs are concerned. I have mentioned four things which the government could do that would not cost one cent.

Some hon. Members: Hear, hear!

Mr. Mayer: Another idea which would stabilize the industry is the provision of an income-averaging annuity. It would let the industry stablize itself from within, without being required to go to government asking for handouts. The industry would