

*Supply*

to time, but they said it all pales when one considers what the government is doing in terms of interest rates.

Looking at the facts, one finds that the Farm Credit Corporation has had to increase its interest rates four times this year. My hon. friend is a farmer. He will know that at the present interest rates it is impossible to maintain a farm for any length of time. It is absolutely impossible.

• (1610)

I want to ask my hon. friend if he could comment on what efforts he is making on behalf of the farmers of Canada to convince the Minister of Finance and the Governor of the Bank of Canada to get those interest rates down. If they continue as they have been doing for a number of weeks or months, he knows, as I tried to ask earlier, that literally thousands of farms will go by the board. Thousands of farm families will have to leave the land.

Farm families in my constituency are leaving the land primarily because of interest rates and through no fault of their own. They are hard working and committed. They have the expertise, but they have no control over interest rates. They say they cannot meet their interest rate obligations at these very high levels. Could my hon. friend comment on what efforts he is making to try to convince the Minister of Finance to do the right thing and to move those rates down before we drive everybody off the land?

**Mr. Mayer:** Mr. Speaker, the hon. member raises a point that the NDP contradicts every day in Question Period.

One of the best ways to get interest rates down is to reduce government spending. The motion calls for us to spend money. I suspect that it would not be bashful about asking us to spend more. The federal government cannot spend more money when it has to go and borrow it. At the same time, the hon. member stands up and says: "Get interest rates down." If he wants interest rates down, he should tell us not to spend the \$500 million. The hon. member should make up his mind. He cannot have both.

I know what is going on as far as interest rates are concerned. I farm. I have farmed all my life, and I know what interest rates do to us. I also know that, if we do not deal with inflation, there is a good chance we will go

through the same experience of the early 1980s when the hon. member and I were both in opposition. We saw interest rates go up over 20 per cent. If he thinks they are bad now, they are going to get worse if we do not deal with this properly. He will be up again to criticize the government for letting the rates get out of hand.

Dealing with the problems of getting inflation down and our deficit is the best medicine I know in terms of getting interest rates down on an over-all basis. Just to say it again, interest rates are high. Everybody wants them lower. Most of all the Minister of Finance wants them lower because he has to pay the interest on the national debt. That is an incentive for him to keep them down. There are no magic solutions, but bear in mind what I said.

If one is buying livestock, it is a different story. It will be bought on a short-term basis. I follow the feeder market. The feeder market for light cattle in our country is up \$1.15 or \$1.20 a pound. Prices are not that bad. If cattlemen were scared by high interest rates, they would be backing off on the prices. They factor that into their decision-making process; the more they pay on interest, the less they can pay for cattle. But the price of light feeder cattle is not that bad right now. I sold cattle about two weeks ago for more money per pound than I think I have ever sold cattle in my life.

Second, I make the point that with FCC loans, 60,000 out of 64,000 accounts have interest rates below 13 per cent. The hon. members says the rate should be even lower. Nobody will get locked into higher interest rates simply because they are up for three, four or five months. If the rates go up and stay up for a period of a year or two years, it is a different story. Hopefully, what the Minister of Finance is doing will cause the rates to come down and we will be in a position in which they can come down and stay down, contrary to the experience we went through in 1981-82 when we saw them get close to 25 per cent.

**Mr. Rex Crawford (Kent):** Mr. Speaker, I have a question of clarification to the hon. minister.

The hon. minister has stated that farmers will not be paying the GST. Am I right? Will farmers not be paying GST?

**The Acting Speaker (Mr. Paproski):** Is that the hon. member's question?

**Mr. Crawford:** There is more.