

Agriculture

farmers in my riding who talk about the concerns they have and why they think it will be very difficult for them ever to start farming. Simply to talk about bankruptcies is not really giving the total picture at all.

The Minister of Agriculture wants to attack the banks. I have here an article from the *Brandon Sun* of last Wednesday.

Mr. Dinsdale: A great paper.

Mr. Mayer: The headline is "Whelan unleashes attack on banks and farm leaders." I do not think the minister gets results by attacking banks or farm leaders. We would very much like him to come forward with policies everyone could support. I quote from the article as follows:

And he lambasted farm organization leaders, saying it is "about time they came up with some good suggestions for helping farmers."

Surely as Minister of Agriculture it should be his job to come up with suggestions and try to implement good suggestions in order to help farmers. Those of us on this side of the House who care about agriculture have made many suggestions in the past on how to help farmers, but there has been no indication that this government is even willing to look at some of the suggestions we make. And we will make some constructive suggestions today before this debate closes.

One of the things which concerns us about banks and about what is going on today is the spread between the bank rate and the prime rate. In March of 1980 when the bank rate was floated or tied to treasury bills and announced every Thursday afternoon, the spread was 1 per cent. That spread increased to 2.8 per cent in July of 1980. It dropped back very briefly to under one half of 1 per cent in November of 1980, but in September of this year the spread between the bank rate and the prime rate—when I refer to the bank rate I mean the rate set by the Bank of Canada each Thursday—was over 2 per cent. It rose to almost 2.5 per cent in October, and presently the spread is 1.79 per cent. The prime rate today is 20 per cent and the bank rate is 18.21 per cent.

Many of us feel that the Minister of Agriculture or, for that matter, the Minister of Finance (Mr. MacEachen), could be putting some pressure on the banks. The Minister of Finance says the banks should bleed a little bit. He could be putting some pressure on the banks to lower their prime rates. If we had a prime rate 1 per cent above the bank rate prior to the floating of the bank rate, then surely to goodness we could expect something like that after the bank rate was floated. I suggest that there is room for the minister to go after the banks and try to get them to reduce the spread between the Bank of Canada rate and the prime rate. Incidentally, the prime rate is a rate at which very few people, if any, borrow at in this country.

I see that my time is going by quicker than I would like. This is a broad topic which could occupy a lot of time. However, I would like to make some suggestions to the minister as to what we could do to help Canadian agriculture. First, perhaps I should talk about some of the things the New Democratic Party has been doing.

Mr. McCuish: That won't take long.

Mr. Mayer: I suppose that would not take long because they have not been doing much, as my seatmate points out. I have to agree with him.

Mr. Deans: It lets you know you don't have much to talk about, right?

Mr. Mayer: It annoys me that we have not heard much from them about agriculture, but this past week I did hear from the NDP spokesman on agriculture, the hon. member for Broadview-Greenwood (Mr. Rae), who was appearing before the Ontario Federation of Agriculture task force on credit and interest rates. I do not know whether he is a distinguished farmer or whether he has changed his profession. It seems to me that the only real connection he has with agriculture is the fact that "green" is part of the name of his constituency. Other than that I do not think he is very much of a distinguished farmer. In fact, I doubt if he would know which end of an animal to look at to see what sex it is. In any event, one of the things he said is that the government should give more money to the Farm Credit Corporation.

That is only part of the problem. I do not think the solution to agricultural financing is simply to make more money available. After all, money has to be paid back. We would much sooner see policies implemented by the government which would allow farmers to be proud of their occupation and able to produce to their potential, and earn money so that they could generate more capital and expand.

As a member of the cabinet the minister has it in his power to recommend to the cabinet, first, that Canadian Wheat Board cash advances be increased. They were implemented in 1957 and 1958 and were set at \$15,000. That was almost 25 years ago, and the advisory board to the Canadian Wheat Board has suggested that those cash advances be raised to \$50,000. Whether or not the minister chooses to support that figure, I think it should be amply evident that a figure set at \$15,000 in 1957 and 1958 and not raised since could certainly be looked at in terms of raising that cash advance level. That would certainly help many young farmers.

I have spoken with people in my constituency—I am sure we all have—who are very concerned about their cash flows. They have grown good crops and, in some cases, crops which would more than allow them to meet their commitments for the coming year. However, because of their cash flows and their inability to sell their grain, they are in very real danger of not being able to survive for another year. They would very much like to see cash advances increased. That would help them very much, but that is something which would have to be done by this government.

As I said, that recommendation came from the advisory board to the Canadian Wheat Board. It has come from many farm organizations across western Canada, and we have heard no reaction at all from this government. If the minister wants evidence of the fact that farm cash advances are being used, in 1980 there were slightly more than 15,000 applications for cash advances, and the total amount in cash advances given to the 15,000 producers was \$61,640,000. The number of appli-