

efforts. The problem is less serious in rivers with a large flow, but for smaller rivers, there is no doubt that this problem is becoming alarming.

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[English]

SMALL BUSINESS

REQUEST FOR INITIATIVES TO ASSIST ATLANTIC PROVINCES

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is for the Minister of State for Small Businesses. Where high interest rates, high energy costs and severely restricted credit are shattering the resource and service-based economies of the Atlantic provinces, putting small producers and small businesses, which are the backbone of the Atlantic economy, out of business, will the minister tell the House if his government will propose any new initiatives to alleviate this very serious situation and, if so, when?

[Translation]

Hon. Charles Lapointe (Minister of State, Small Businesses): Madam Speaker, I believe a few initiatives have already been taken such as, for instance, extending to the end of March the small business development bond programs, and introducing the bill allowing non-incorporated small businesses and small entrepreneurs to deduct the salary of their spouses from their annual earnings. Finally, under the Small Businesses Loans Act small businesses can now borrow up to \$100,000 at a rate of interest of 1 per cent over the prime rate. To my mind, Madam Speaker, those measures have been implemented precisely to help small businesses cope with this difficult period caused by high interest rates.

[English]

Mr. Howie: Madam Speaker, I thank the minister for his answer. I suggest to him that, while those measures are very important and are certainly respected, they are infinitesimal compared to the problem which exists in the Atlantic provinces. More dramatic measures with a greater economic impact are required. Will the minister take this matter up with his colleagues in an attempt to give us some real action soon?

[Translation]

Mr. Lapointe (Charlevoix): Madam Speaker, as I have already had occasion to mention in the House, there is no doubt that we are concerned about high interest rates and their harmful effects on small businesses in Canada. As I have already said, we are in the process of revising completely all means available to small business to finance itself; this revision is being made in co-operation with banks and non-banking financial institutions. We are also in the process of reviewing the activities of the Federal Business Development Bank. I shall endeavour to speed up the study on the financing of small businesses to be able to do something about the concerns of the hon. member and those of all other hon. members in the House.

Oral Questions

[English]

AGRICULTURE

HIGH INTEREST RATES—MEASURES TO ASSIST FARMERS

Hon. Bill Jarvis (Perth): Madam Speaker, my question is for the Minister of Agriculture, who will know that while we in this House talk in terms of 17 per cent interest rates, the farmers of Canada, when they go to borrow working capital, find themselves faced with rates of 20 per cent and more. He will know further that these rates are impossible and that, rather than borrow to finance the purchase of cattle and hogs to finish and fatten for the Canadian market, our farmers are selling off their feed grains. The minister's constituents and mine are selling off their corn and western producers are selling off their feed grains.

What does the minister propose to do about these prohibitive interest rates in order to permit Canadian farmers from coast to coast to produce food in reasonable quantities at reasonable prices for Canadian consumers?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member gave a story on interest rates and what they should be, but he did not complete his story. The interest rate of the Farm Credit Corporation, for which I am responsible, is 12.75 per cent. It has been at this level for several months and it will stay there for several months more. We may run out of money in that area due to the high demand and, in fact, in some areas we may have run out of money already.

Many farmers belong to farm organizations, such as the marketing boards, and their cost structure and cash flow is such that they do not need to borrow as much money as the hon. member has suggested. The hon. member has mentioned two groups of farmers, the hog producers and the beef producers, who do, but they have not looked after themselves as have other groups of farmers through organizations which have the cash flow. I just had dinner—

An hon. Member: Order.

Some hon. Members: Oh, oh!

Mr. Whelan: —with one of the largest and most successful turkey producers—

An hon. Member: You're the turkey.

Mr. Whelan: —in Canada and North America, a man the hon. member knows very well, and he said that there has never been a time when there has been so much stability in the agricultural economy and it has never been so healthy.

Mr. Jarvis: Madam Speaker, that is either hogwash or cattleshed, whichever the Minister of Agriculture prefers.

Mr. Whelan: Ha, ha!