

Agriculture

members opposite from that great free enterprise system suggesting that we put the banks under the hammer?

Mr. Blenkarn: You are the government; why don't you do something about it?

Mr. Whelan: I have the hammer and I am ready to swing it if you want me to do that.

Mr. Blenkarn: If that doesn't happen, will you resign?

Mr. Whelan: Farmers and small-business men should have an appeal against that kind of a system. We have an untold amount of letters. People are telling us they will give us affidavits or will swear they asked the banks for long-term money but were refused and told they were getting money at 12 per cent, to wait, that interest rates would be down to 10 per cent or 11 per cent in six months. Therefore, people did not go ahead with long-term mortgages. This happened a little over a year ago when people were asking for five-year mortgages at fixed rates of interest.

People can see some of the pitiful things that have been done by the banking interests. The banking industry does not need the money, but the Bank Act allows the banks to do the very things that I am talking about. Banks can give long-term mortgages with a moratorium. For instance, a bank could give a 20-year mortgage. The banks created this problem. In most instances, they are responsible for farm takeovers. The bankruptcies do not tell the whole story. Many farms have automatically been taken over by the banks. The farmer just moves out and there is a quiet sale. The banks take what belongs to them, and if there is anything left it is given to the farmer.

We can compare what these banks are doing with other lending institutions in the province of Alberta. Alberta is a rich province but the lending institutions there are not keeping everything for themselves. Some people in Alberta would probably say: "Whelan, they are not doing as much as you think they are and they could be doing more". I think that is probably true.

Last year we heard it said that we did not do anything for agriculture and we did not pay any attention to the industry. But we put \$60 million into the herd maintenance program, drought assistance, livestock, fodder procurement program and the livestock transportation program. I wonder how many farmers would have been forced out of business if we had not put in that \$60 million?

The hon. member talks about the great programs in Saskatchewan. Let me tell him about the great programs in Saskatchewan. There is one they call the Saskatchewan Crown corporation insurance company, or something like that. I wish I could run a company like that. The federal government pays 50 per cent of the premiums, the producers pay the other 50 per cent, the province administers it and it is called a Saskatchewan Crown corporation. That is a little bit much! In Saskatchewan last year we spent over \$130 million assisting farmers in that province, yet the province, which does all

things for agriculture production out there, spent only \$61 million. Who is doing the most for whom? The federal government does not have the propaganda system to get the credit for what it is doing. That is about what it amounts to.

The crop insurance program is a unique program. No other country in the world has a crop insurance program like ours. We pay 50 per cent of the premiums and the producers pay the other 50 per cent. The provinces administer this program and take 99 per cent of the credit when there are claims. The provinces generally spend only a couple of million dollars in this program. I will give hon. members an estimate of what the federal government spends. More than 121,000 farmers bought crop insurance for their 1981 crops, an increase of 8,000 over the previous year. They bought coverage worth about \$2.5 billion. This government will contribute \$120 million in premiums to this program, with farmers contributing a similar amount.

● (1620)

Do hon. members think the United States has that kind of a program for its farmers? I can remember a former secretary of agriculture in the United States saying this is a wonderful program. I asked him what kind of program they had and he said, "We call it a disaster program, and that is just what it is, Mr. Minister, a disaster." I do not know whether the United States has come up with any other kind of program, but I know they did study our program in Canada two or three years ago.

Last year the crop insurance program paid out a record \$261 million to farmers across Canada to cover losses. A large part of that sum went to farmers in Manitoba and Saskatchewan for losses due to the drought. That is what I call support to the agricultural industry and to Canadian farmers.

This has been an exceptionally good year on the prairies. There was one large area that had a lot of hail damage in southern Saskatchewan but I do not expect there will be that many big insurance claims or payments made for grains or oilseeds in the west this year; at least, that is the advice I have been getting from my crop insurance people. Growers in Ontario and Quebec will be thankful for the crop insurance program this year. Many vegetable and grain farmers in southwestern Ontario had their crops washed out by unusually wet weather. They had the largest amount of rainfall ever recorded in that area this year.

Farmers do not want to live on handouts. They want the government to provide policies and programs that will make it possible for them to do what they do best, grow crops and market them at a price that will give them a reasonable return on their investment and their labour. That has been the basic aim of the agriculture policies of this government, and I think it has been appreciated by producers. They have certainly thrived under it and developed an agriculture industry that is second to none in the world.

No one is more aware than this Minister of Agriculture of the difficulties that farmers are facing right now with inflation pushing up the cost of farm inputs at a rate that exceeds the