

worked out a common approach to the government. I ask the minister whether that committee has met with any cabinet ministers. Did that committee meet with the Conservative caucus? Did that all-party committee, which represents in a very real way all of the 150,000 producers in southern Alberta, make the same statement to his caucus as it has made in other places; namely, that what the government is doing today reflects only about 20 per cent of what the farmers need? That is a statement I heard the committee make.

Despite the minister's story about all of these programs, I can tell him what he is able to do and what the government is able to do. You are able to convince the urban people of this country that the producers are being looked after, but the farmers know that that is not the case. I have other questions on this point, but I wish to ask whether that committee has stated to you that what you are providing is 20 per cent of what you need to provide.

Senator Murray: Honourable senators, unlike my friend, it is not my habit to discuss what goes on in the party caucus.

Senator Argue: I did not hear that statement in the party caucus.

Senator Olson: Did they meet with cabinet?

Senator Murray: All I can tell the honourable senators for certain is that this committee did not meet with me. Whether it met with any of my colleagues, I am not sure, but I shall find out.

Senator Argue: The minister said that the government is not operating in a vacuum. I think that the government is a vacuum. The trouble with a vacuum is that it does not produce anything. From my limited study of science, I know that everything is absent in a vacuum, and I think that is the way the government's policies are today. They are not effective at all.

Can the minister say whether the Farm Credit Corporation, as an arm of the government, is considering any alternative programs, apart from this 6 per cent, which is smoke and mirrors, has a lot of things wrong with it and does not deal with the problem? We need other ways to reduce the onerous interest rates that the Farm Credit Corporation is charging farmers today—interest rates of as high as 14 per cent—against young farmers like a neighbour of mine, Randy Verhagee, who is a good farmer, a very intelligent person, an excellent mechanic, a good producer and a hard worker. He bought not the most expensive land in the world, land selling for \$300 per acre, but at 14 per cent interest he cannot make a go of it. Is there any other program under consideration that might reduce this onerous interest rate of 14 per cent?

I think it is usury if the taxpayers of Canada, through the Farm Credit Corporation, want to extract 14 per cent interest from young farmers.

[Senator Argue.]

Senator Murray: Honourable senators, I cannot discuss the affairs of individual borrowers, as my honourable friend seems to be in a position to do. I can say that the FCC interest rates have not changed since 1986. When commercial lending rates increased last summer and fall, the FCC did not increase its rates. Thus, its rates are currently still at or below commercial lending rates. The honourable senator says that the 6 per cent rate is smoke and mirrors.

Senator Argue: It is; that is right.

Senator Murray: I do not know what he means by that. This is a commodity-based loan program which provides loans at 6 per cent for ten years, albeit with payments linked to changes in commodity prices. If the honourable senator is seeking to debate FCC interest rates and the efficacy of FCC programs, he will have to find another time to do it, because this is the oral Question Period. In any case, I think that he and I would need more information.

Senator Argue: Honourable senators, I asked the Leader of the Government a very specific question: Is any additional consideration—put it in any way you like—now being given by the Farm Credit Corporation, or the government, to a reduction of the 14 per cent interest rate, or the type of interest rates I have talked about, apart from and in addition to the 6 per cent—which I could go on to explain, but it is pretty much a hoax? It is a hoax. It does not mean anything. It does not do anything. Anyway, the specific question is—and surely the minister can answer it: Is the government giving any consideration to any additional action by the Farm Credit Corporation to reduce the onerous interest rates, apart from the 6 per cent? That is a pretty fair question. I cannot see anything wrong with it.

Senator Murray: Honourable senators, if there is a change in the policy of the government, or an announcement to be made by the FCC, that will be done in the usual way. I have no announcement in that regard to make to the Senate today.

Senator Argue: I guess from what the Leader of the Government has said there is no consideration at all being given for anything more—and that's terrible.

CANADA-UNITED STATES RELATIONS

BILATERAL TRADE NEGOTIATIONS—GOVERNMENT PROPOSAL ON RATIFICATION FORMULA

Hon. Stanley Haidasz: Honourable senators, in view of the reports of the failure of last night's federal-provincial consultative meeting on Canada-U.S. free trade to reach a consensus on a ratification formula, would the Leader of the Government inform the Senate as to what was the federal government's specific proposal for ratifying an agreement?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, the question of approval and implementation of an agreement was not even on the agenda last night. The First