

Mr. Trudeau: Madam Speaker, I have already discussed the guidelines that this government intends to apply with ministers. I have reviewed our previous guidelines which applied under the Liberal administration, I have looked at the guidelines which were brought in by the Conservative government, and I have attempted to take the best from both.

I will be announcing, certainly before a fortnight, exactly what the terms of those guidelines are. I will tell the House immediately that I have departed in some instances from the Conservative guidelines, particularly in the matter of applying them to spouses and children.

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AGRICULTURE

HIGH INTEREST RATES—EFFECT ON FARM OPERATIONS

Hon. John Wise (Elgin): Madam Speaker, my question is directed to the Minister of Agriculture and it deals with interest rate levels. During the election campaign the minister expressed his concern and, indeed, he expressed his dissatisfaction with interest rate levels at that time. Since assuming office—as has been indicated by my colleague—interest rates have increased four times in five weeks. The throne speech yesterday recognized the problem but provided no direction and no relief.

● (1440)

I want to ask the Minister of Agriculture, what immediate action can Canadian producers expect from the minister to enable producers to simply maintain their existing farm operations and to plan a portion of their 1980 crop?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure there are many agricultural programs which the hon. member discovered a while ago. There are even plans that make advance payments to farmers interest-free. I can name one in his area of Canada: soybean producers received \$15 million interest-free. There are many other programs along that line. A portion of the interest rate of the Farm Credit Corporation, for example, was raised more during his term of office than during mine. There are many people in other parts of the commercial world of Canada who would love to have the Farm Credit Corporation rate of 13 per cent, which accounts for 70 per cent of all long-term agricultural loans made in Canada.

In many parts of Canadian agriculture we are much more fortunate than our competitors in the United States who compete in many markets with us. For example, they pay a much higher rate of interest, pay more for their fuel, fertilizers, pesticides, herbicides, and so on.

Mr. Wise: Madam Speaker, it is obvious that the minister while in opposition recognized the problem, but today when he is in office he wants to ignore it. Indeed, his first action as Minister of Agriculture was to raise the rate of Farm Credit Corporation loans to a record high.

Oral Questions

Is the minister going to stand by and propose nothing and do nothing while producers in this country liquidate land, equipment and other assets simply to have enough capital to plant a portion of the 1980 crop? What is he going to do? Will he just answer the question yes or no, if he can.

Mr. Whelan: Madam Speaker, there are many people in Canada looking for a yes or no answer. The answer to this question would be that the things I have been responsible for have meant a “yes” for many farmers. They will be able to stay in business. With the programs we are developing, when he sees them being developed in the next few weeks he will agree that yes, this minister does care and this government does care.

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[Translation]

INCOME TAX

DEDUCTIONS ALLOWED SPOUSES WORKING ON FARMS

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Finance. It deals with an important sector, that of family farms. Although the matter was omitted in the Speech from the Throne, will the minister reintroduce the measure included in our budget, which measure was promised, seconded and supported by his colleague, the Minister of Agriculture, allowing the deduction, for income tax purposes, of salaries paid the spouse who works on the farm? In addition, will that policy apply to non-incorporated businesses so that fishermen and several other businessmen might also benefit from it, as we planned in our budget?

[English]

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I agree with the hon. member that it is necessary to decide whether the present government is to proceed or not proceed with a number of proposals that were contained in the December 11 budget. Some of these proposals, like the one mentioned by the hon. member, were of a substantive character; others were of an important but technical nature.

Currently, I am examining the situation. I hope to advise the House as soon as possible what position I will want to take on these matters, including the one raised by the hon. gentleman.

[Translation]

Mr. La Salle: Madam Speaker, I should like to put a supplementary to the Minister of Agriculture and ask him if he still intends to recommend to his colleague that the salary paid to the spouse who works on the family farm be allowed as a deduction for income tax purposes.

[English]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I have every confidence that my colleague, the Minister of Finance, will be a fair man.