

succession. That is due to the weather. I am not saying that the Tories caused it.

Senator Buckwold: Say it!

Senator Olson: There is an old saying in the West that Tory times are tough times; that if you can't blame the CPR, blame the Tories. Usually those sayings are quite correct, but, as I said, I do not want to get drawn into that. I know that Senator Barootes can bait me often, but I am not going to let him do it today.

The point I want to make is this: We need help now. We do not need help in the middle of the summer or sometime next fall. The number of farm bankruptcies in Saskatchewan is rising daily. That does not even tell the whole story. A substantial number of farms I am talking about have been in the family for two or three generations and are now going under. Since 1984 the price war between Europe and the United States has depressed world prices terribly and, on top of that, we have had the drought. To add insult to injury, and this is the main point of my inquiry, we have high interest rates.

I have asked the Leader of the Government in the Senate a number of times what he intends to do about this situation. I know that I and other members of the Opposition can be accused of constantly complaining about this, and the other thing, including interest rates. But, honourable senators, I am not alone in complaining about the monetary policy of the Bank of Canada and the consequent high interest rates. Premiers of many of the provinces have asked the federal government to take its responsibility in respect of interest rates.

The Leader of the Government in the Senate has on one or two occasions told me that that is a matter for the Governor of the Bank of Canada. Well, when the Governor of the Bank of Canada appeared before the Standing Senate Committee on Banking, Trade and Commerce, I suppose I did something that the chairman of the committee did not like. He had agreed with the Governor that we would not get into the matter of monetary policy and interest rates. I have to tell Senator Buckwold that I did not know he had made such an agreement. Probably if I had been there when they were making that agreement I would not have agreed to it anyway.

Senator Argue: You got a lot of publicity, Senator Olson.

Senator Olson: I don't care if I did get a lot of publicity, but I am telling senators this: I am not here to be a nice guy. I am here to reflect the opinion of people in Alberta, and it just happens that a lot of people in Saskatchewan now share that opinion. At any rate, I was trying to point out a moment ago that I am not the only one who believes that the government should take its responsibility and lower interest rates.

The Premier of Alberta has asked many times that the federal government take its responsibility and get interest rates in line with those of other countries, to bring them down. He has said that they are the greatest hazard or depressant to the economic well-being of Alberta. Even in the Speech from the

Throne delivered only on March 8 the Lieutenant Governor of that province stated:

My government must act as steward for Alberta on other fiscal matters. Two federal initiatives, the proposed goods and services tax, and the Bank of Canada high interest rate policy, threaten to undermine Alberta's current economic growth . . .

The Premier of Saskatchewan engaged all of the television stations in that province, as I think Senator Argue mentioned a few moments ago, because there is a crisis in Saskatchewan in the farming sector. He took the time to announce a number of significant changes in Saskatchewan's agricultural and fiscal policy because of this crisis. I did not hear the speech, although I received a copy of it from his office. I will not quote from it, but I will say that he was on Canada AM the next morning and I watched him for about 20 minutes. He repeated over and over again that the biggest single problem faced by long-established family farms is the high interest policy of the Bank of Canada. The prime rate now is 14.25 per cent. Anyone knows that if a farmer misses a payment or if his credit is slightly shaky he has to pay 1 or 2 per cent over prime. That is what the banks charge and that is crippling, especially when the price of grain has gone down and farm incomes have declined so drastically.

Therefore, honourable senators, I want to make an appeal to the government to take on its responsibility. I do not want to go into the argument on whether the government is responsible. The government's view is that it is the responsibility of the Governor of the Bank of Canada. We went through all of this in the sixties. At that time government had a fight with the then Governor of the Bank of Canada, Mr. Coyne. Some time after that we brought in an amendment to the Bank of Canada Act which makes it absolutely clear that the Governor of the Bank of Canada is required to act according to the directives from the Minister of Finance. That may be easy to say, but the consequences of it are sometimes worse.

I know that if the Minister of Finance tells the Governor of the Bank of Canada that there is a public outcry in the financial world, political interference in the operation of this great financial institution will cause a bit of a dust-up, or whatever else it might be called. But I think we have to face that. I know that there may be a bit of a run on the Canadian dollar for a while, but if we have enough faith in the value of Canada—its resources, its people, its economy and all the rest of it—people will very soon learn that Canada is not one of those countries where you can just depreciate the dollar terribly. As I said, there could be a bit of a problem for a few days, but the interest rates we are paying in this country are absolutely ridiculous.

The prime interest rate in Canada at the moment is 14.25 per cent. This information was provided by the Bank of Canada on March 3, 1990. On that date the rate in the United States was 10 per cent. The rate in Japan was 4.8 per cent; in Germany it was 10.5 per cent; in the United Kingdom it was 16 per cent. We are paying 42 per cent more than the U.S. rate. Why are we requiring our people to pay that rate? If you