

ASSISTANCE FOR FARMERS

Hon. Nathan Nurgitz: Honourable senators, my question hopefully comes within the responsibility of Senator Argue. Last night the Minister of Finance took what was considered by many to be a fairly heavy slap at Canadian farmers when he cancelled provisions for the transfer of capital gains and farming assets to RRSPs. With farmers already suffering from recent high interest rates, could the Minister of State for the Canadian Wheat Board tell us now what programs he expects the government to bring forth which would assist the beleaguered farmers in Canada?

Hon. Hazen Argue (Minister of State for the Canadian Wheat Board): That is an announcement of government policy. That announcement will be made when the policy is ready to be made and the government decides it will be made, and I am not in a position tonight to announce any new government policies.

Senator Nurgitz: Is any thought being given to any provision that would at least partially meet the kind of relief that farmers received under the other proposal?

Senator Argue: All I can say is that agricultural policies, generally, are under consideration and when some conclusions have been arrived at as to new policies dealing with agriculture, and if it is in the agricultural field specifically, I expect the Minister of Agriculture will make that announcement. If it is something more of a financial policy, I expect the Minister of Finance will make the announcement. I do not expect I will be making it.

THE ECONOMY

DEVELOPMENT OF BASIC INDUSTRIES

Hon. Orville H. Phillips: Honourable senators, my question is to the Minister of State for Economic Development. As he is, I am sure, well aware, the basic industries of this country such as farming and fishing are most important to economic development. Would he please explain to this chamber how he sees today's exorbitant interest rates contributing to that development?

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, I have nothing to add to the reply that Honourable Senator Argue has already made.

● (2050)

Senator Phillips: Honourable senators, I am sorry to hear that the minister's answer is as bankrupt as his bankrupt policy. Surely he can tell us how he expects a farmer to pay 20 per cent interest on the money he must borrow for fertilizers, insecticides and other farming necessities. I would point out that the farmers of this country borrow \$1.5 billion per year from the banks for the purposes I have outlined, namely, to purchase fertilizer, insecticides and so on. That is only half of the amount needed; the other half they are able to provide themselves. Will the minister explain to us how having to pay 20 per cent interest on \$1.5 billion per year is helping the development of the agricultural industry?

[Senator Argue.]

Senator Olson: I repeat that the government has given this matter a great deal of consideration. No one can deny that it is a hardship, not only for farmers but for fishermen, for people renegotiating mortgages on their homes, and for small, medium and, indeed, large businesses. I thought Senator Argue had expressed the views of the government, and said that this matter is under advisement. When we get directly to agricultural policy, or financial policy dealing with agricultural producers, we do not have an announcement to make tonight. We will certainly obtain one as soon as it is made by the Minister of Agriculture or the Minister of Finance, and I can assure the honourable senator that we will get that answer to him as quickly as possible.

AGRICULTURE

ASSISTANCE FOR FARMERS

Hon. R. James Balfour: I wish to ask Senator Argue a question supplementary to that asked by Senator Nurgitz. Could Senator Argue indicate to us what were the specific policy considerations that the government implemented when they cancelled the exemption from tax of capital gains on farming assets transferred to RRSPs? Was it a question of equity? Was it a question of revenue? Specifically why was this measure put into place?

Hon. Hazen Argue (Minister of State for the Canadian Wheat Board): I do not have those reasons at hand. I do not know if the explanation has been provided. I would be happy to take that question as notice, and if I can ascertain by research whether or not some reasons or explanations were given I should be happy to provide that for him.

Senator Balfour: I am sure the farmers of Saskatchewan would be extremely interested in a response of that kind.

Senator Murray: Is the minister suggesting that the decision announced by the Minister of Finance last night was not really a government decision taken by the cabinet collectively, but was rather a personal decision on his part?

Senator Argue: Not at all.

POTATO MARKETING

Hon. Orville H. Phillips: Honourable senators, I should like to address a question to the Leader of the Government in the Senate. I am sorry I cannot describe him as having any specific responsibility. I have often disagreed with the Prime Minister, and I disagree with him in not giving the Leader of the Government in the Senate any responsibility. I do not for one moment think that the Leader of the Government in the Senate is irresponsible. I am sure he is quite capable of taking responsibility if he were given the opportunity.

The Minister of Agriculture made an announcement concerning a marketing agency or marketing board for eastern potato producers. Could the Leader of the Government in the Senate tell this chamber the difference between a marketing agency and a marketing board; and could he also tell us when