

price war between the United States and the European Economic Community.

● (1550)

So I certainly don't think it is good enough for Canadian government officials and the minister to keep coming back and saying, "We cannot do anything about it." Canadian ministers have always been involved in those arrangements and have tried to keep some sense. I think that they have been successful—that is, until this government came into office.

Honourable senators, Senator Barootes properly pointed out that the distress in the farm sector is very unevenly distributed. There are some areas that are not as bad as they were two or three years ago. There are a few areas on the Prairies in which there were good crops last year. Along the Alberta-Montana border, extending 50 or 60 miles north, there was abundant rain last summer and they got a bumper crop. That is a small area; nevertheless, one cannot say that there was not a change in some areas. However, approximately 75 miles north of the Alberta-Montana border, and extending for approximately 150 miles, it was a total disaster.

Surely this government has the intelligence and competence to design programs to help those who need help. I am not going to argue that people need their butter spread all over their bread, meaning that programs have to be established that distribute money to all sectors of the farming community; but there are people who are desperate, and they are not people who have been slothful in any way. They are good farmers, but farmers cannot stand six droughts and low prices for what they do produce and expect to survive. It is the responsibility of the federal government to work in those areas along with the provinces in order to relieve farmers in those situations.

I am going to support a request for aid to the fishing industry in the Atlantic provinces. The economic activity is different from farming but the consequences and the distress to families and to communities is the same.

I hope Senator Barootes is successful in conveying to the government the message he delivered here this afternoon. I like the accuracy with which he reflected the evidence we heard. I also endorse his conclusion as to what ought to be done about this. The recommendations were fairly general and mild. We really need to get good, hard programs in place to help those in such desperate need.

Senator Barootes talked about problems in Saskatchewan being worse than anywhere else on the Prairies. I agree with that, too, because that is the evidence we heard, but I want Senator Barootes to know that there is distortion in those figures, because a fairly large portion of Alberta—that portion along the Saskatchewan border, especially in the central part of the province—is comprised of the same kind of farming, the same land and the same climatic conditions; but there is a distortion because there are two large cities in Alberta that are taking in the exodus from those leaving the farms.

Of course, the economies of cities like Regina and Saskatoon are far more heavily dependent on agriculture and agricultural economic activity than are Calgary and Edmon-

ton, which have other industries such as oil and gas. Indeed, there has been taking place quite an intense building boom in Calgary. I am told that that is because of Pacific Rim and Asian money coming in. They have also experienced that in Toronto and Vancouver. That is why there is some distortion in the overall numbers when one talks about all of Alberta and all of Saskatchewan. A significant portion of Alberta—I am not saying it is more than half—has suffered equally as badly as Saskatchewan.

Respecting interest rates, not only am I and other honourable senators upset but the premiers have come to Ottawa on at least three occasions and have asked the federal government—the Minister of Finance, the Prime Minister—to do something about interest rates, because they see that high interest rates discourage investment and diversification, something which Alberta needs badly. Those high interest rates are hurting our exporters severely. Can all of them be wrong? Many of those premiers represent Tory governments, so I do not think they are grinding any political axe. They simply believe that they do not see any justification for Canada's having interest rates that are 3.5 per cent and as much as 4 per cent points higher than those in the United States.

I am sure that high interest rates have a minor effect on the cost of living. It certainly does not bode well for ongoing monetary, financial and economic policy to have our interest rates at those levels. That hurts people to the point where their businesses will go under.

Honourable senators, I am not going to repeat. I could parade out all of the facts that Senator Barootes has paraded out. He did a good job. I implore Senator Barootes and his colleagues to carry the message into their caucus that the government must do something about this. I have given honourable senators opposite some good ideas. You cannot drive me off by saying, "We cannot mess around with the Governor of the Bank of Canada." The Minister of Finance is responsible for what the Bank of Canada does, in the final analysis. That is a cop-out.

Senator Barootes: What about Coyne?

Senator Olson: I remember the Coyne affair.

Senator Barootes: How did the Liberals in the Senate behave then?

Senator Olson: I am not sure what that comment was good for. I guess it let off a bit of steam that was building up.

Senator Nurgitz: It stopped you!

Senator Olson: It was kind of comical.

I remember exactly what the Liberals in the Senate did. If you cannot persuade the Governor of the Bank of Canada that it is wrong policy to have these kinds of distortions in the interest rate, then I believe the Minister of Finance should do what I think Donald Fleming did with Coyne; that is, make arrangements for him to leave. All the Senate did at that time was let him leave with a little grace. He was going to go in disgrace; the Senate helped him a little. That is all I know about it. By the way, I was not in the Senate then. As far as I