

Supply

Americans so that we can have a little more secure access.

Let me just read a little bit out of a *Winnipeg Free Press* story of last week. There is an outfit in Winnipeg called Versatile Equipment. It started out manufacturing swathers and sprayers. Back in the late 1950s, I bought one of its sprayers as a farmer. I still have it and that tells you about the kind of equipment it makes. That makes it 30 years old. It is a good piece of equipment. Laterally, in the last 15 years, it has begun to manufacture four-wheel-drive tractors. It is a leader in its field. Its tractors under 40 hp are made mostly in Japan, worldwide and some in Europe. Those between 40 and 100 hp are made in the United States. Above that, the tractors are made in the United States and Canada. We have better trade rules for these people as far as access to the U.S. market.

For those of us in the west who are connected with agriculture, the GST is going to be a net benefit to the agricultural industry. We estimate that, because of the way the GST is going to work, there is going to be somewhere between \$200 million and \$250 million of direct net benefit to the agricultural industry right across the country. Here is how Versatile views the GST and how it is going to affect them.

The Winnipeg plant produces four-wheel-drive heavy tractors, swathers, and industrial front-end loaders for Ford New Holland's 5,200 dealerships around the world.

Versatile has had some financial problems and it has been restructured as a result of Ford New Holland coming in to be part of their operation.

The article continues:

The GST, which is geared to help export-oriented manufacturers, fits Versatile like a glove. More than half the Fort Garry plant's outputs are destined for American, Australian and European markets.

"Any country that has a VAT-type of tax—

—which is what the GST is—

—is by definition trying to get an advantage in export markets vis-à-vis countries which don't have a VAT—

"To that extent, the GST brings Canada into line with most of Europe, Mexico and various other countries."

• (1540)

It goes on to state, and I will conclude with this point:

He said the cost the tax added to the price of a Versatile tractor now—

—and here, he is talking about the present manufacturer's sales tax—

—may be the difference between being cheaper or more expensive than its major American rivals.

Here is a case of a western company, that is a leader in the world and is hooked up with Ford New Holland with 5,200 dealers around the world, is going to have an advantage because of the GST over the present manufacturer's sales tax.

I will conclude on this point. It is one of the things that we have done in the government that makes me particularly proud to be part of this government. We have taken the case that we have at GAIT on behalf of our farmers very, very seriously. Fifty per cent of every income dollar that a Canadian farmer earns comes from exports. Canada is a country of 25 million people. If we cannot have better rules and fewer subsidies around the world for our farmers to compete against, then we indeed have problems when we look down the road. There is another thing that we have done in terms of regional development. We have taken some of these things seriously.

To conclude, in looking at our record, one may want to say it is not perfect, but it is not that bad. We have created over 400,000 direct jobs in the last 10 years—not part-time jobs, but direct jobs. Western Diversification, designed to diversify western Canada, is responsible for about 20,000 of those 400,000 jobs. GST is going to benefit manufacturing in western Canada and a big part of what we do goes into the export market. We are going to control our deficit and get interest rates under control as a result of controlling the deficit. As I indicated here and there are many more examples of it, clearly the GST is going to help industries in western Canada that need to compete on the export market. That is a pretty good record on behalf of western Canada as far as regional development is concerned. There are a lot more things I could say if I had the time.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, I listened with interest to the remarks of the minister and I do not question at all the sincerity with which he approaches his job, nor would I want to be one