

at the same time interfering as little as possible with the laws of supply and demand on which producers depend to determine what kind of grains they should plant.

The Western Grain Stabilization Act guarantees producers the cash flow they need without modifying market prices. Similarly, the transport of all grains is subsidized. We feel we must maintain this flexibility which is essential to the development of Canada's grain industry.

Parity prices based on a cost-of-production formula do not offer the flexibility, sought by both producers and the Government. Nevertheless, we believe this new proposal would be worth discussing.

The red meat sector is another area that is very sensitive to exports, although particularly within the North American market. As in the grain industry, it is clear that without strictly controlling supplies, it would be very difficult to set prices to producers at "parity level".

During negotiations leading to the development of the Red Meat Stabilization Program, it became clear that many producers were not interested in such controls. Since supply management did not find favour with the producers, the federal Government has worked on other forms of assistance.

The most important assistance program is undoubtedly the Agricultural Stabilization Act, which guarantees producers 90 per cent of the average market price over the last five years, indexed to allow for increases in production costs. Since 1976-77, \$224 million has been paid to beef and pork producers.

Therefore, we are understandably somewhat hesitant to adopt a Bill that, in its present form, might ruin the chances of success of an entire segment of our industry.

Nevertheless, the "parity level" concept does have some interesting aspects, and I am sure my hon. friends would not wish to reject a proposal of this kind without prior discussion.

That is why the Government is agreeable to referring the subject of the Bill to the Standing Committee on Agriculture.

[English]

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, a good many Hon. Members in the House, particularly Hon. Members from the west, represent rural ridings. As such we have first hand knowledge of the tremendous hardships which are being faced by farmers right now. At the same time, we all recognize that we should not in any way build up false expectations, because farmers are one group you cannot fool. But there is an election coming up in the near future and it is in the interests of all the Parties to get this legislation into committee, because everything about it deserves to be studied diligently. However, I would not want ever to be in the position of telling the farmers that something was going to happen quickly when I know in fact, because of my experience and understanding of the operation of Parliament, that this will not become law in the near future.

Parity Prices

There are many aspects of this legislation which are troubling from an international and domestic perspective. The solution is to get the prices up. That can be done at an international level by an international wheat agreement. However, I believe Hon. Members of Parliament in all Parties have been trying to achieve that for a number of years and it has simply not been possible.

Another solution is to get the costs down. In terms of farmers, the most dramatic increase in their costs over the last four years have been in the fuel taxes. The farmers, of course, get a triple whammy because of the six separate individual taxes which the Liberal Government has imposed on energy, ranging all the way from just after it leaves the ground to six separate taxes over and above the federal corporation tax. It has imposed six federal taxes on energy alone. We can all handle this tax burden with respect to our cars, driving off to get groceries on Saturday and to church on Sunday. However, when it attacks farm fuels, it hits the farmers not only on the fuel for their trucks but on the fuel for their tractors which they use on every acre of those hundreds of millions of acres in western Canada which have to be gone over four or five times a year. They have to pay federal tax on every gallon of fuel they use. The tax is imposed to such a point that it captures also all the energy going into fertilizers and chemicals, so it amounts to a triple whammy dealt to farmers. If we could just move on the fuel taxes we could help farmers more productively instead of using a stop-gap measure. It is like putting a finger in the dike when, in fact, you should be looking at the whole dike and at the reason why the water is piling up on the other side.

● (1720)

The reason the water is piling up on the other side of the Canadian dam and starting to flow over is demonstrated by the figures in today's *Globe and Mail* concerning government borrowing. In 1983, the federal Government had to borrow \$26 billion; the provinces and municipalities together borrowed \$14 billion, and the amount left for private industry to borrow was some \$12.7 billion. As recently as 1981, the federal Government borrowed \$11.5 billion, so it has gone up two and a half times. The provinces borrowed about the same, \$14.6 billion, but the amount borrowed by private industry was \$46.5 billion. That went into creating jobs, which result in taxes flowing the federal Government. The amount of private investment this year amounts to \$4.7 billion, therefore the jobs are not being created, which means less tax revenue, and increased unemployment insurance and welfare payments. So we are caught in the circle of more and more government spending, which results in deficits.

If the Progressive Conservative Party had been in power since 1979, we would not have had to face the fuel tax, we would not have such a large national debt, and capital gains taxes would likely have been eliminated. Those are the reasons why we need an election, just for a new approach. The reason we have had this Government since 1980 is that the NDP made a quite proper political calculation that if it brought the Joe Clark Government down it would get more seats. It was