

Excise Tax Act

After listening to Hon. Members of the Opposition speak, one would think there was nothing in the Bill which was of any use to anyone. Clearly, that is not the case. I feel that out of respect for this institution Hon. Members of the Opposition should take a balanced approach every once in a while. I see Hon. Members across the way who represent farming communities. I wonder if any of those Hon. Members have ever risen in their place and said: "Thank you very much; on behalf of my constituency I very much appreciate the kind of tax reduction which has gone forward".

Mr. Riis: Yes, we have.

Mr. Mayer: I hear an Hon. Member opposite saying that that has been done. If that is so, I very much appreciate it because that adds to the validity of the debate which goes on in this place.

I would like to conclude, Mr. Speaker, by mentioning one other point which I feel needs to be made. This Government believes above all we should not be taxing people out of business before they open their doors in the morning, whether they be farmers, fishermen, small businessmen or large businessmen.

Mr. Riis: How about sales tax?

Mr. Mayer: Let us try to do everything we can to support these people so they can stay in business and create jobs and everyone can share in the many resources we have in this country. We should not put all of these taxes up front so that people are put out of business before they even get a fair chance at staying in business.

Mr. Riis: What about the sales tax?

Mr. Mayer: This is what the reduction in sales tax, the excise tax on farm fuels, is all about. It is a reduction in tax.

Mr. Riis: How about tax on construction materials?

Mr. Mayer: The Hon. Member can make the point, and it is a valid point, that the federal Government still takes a large share out of the dollar which goes to purchase fuel or gasoline in this country. However, this Bill certainly is a step in the right direction. It is a recognition of that concept which I just indicated. Let us help people stay in business. Let us make sure they have a chance to make a profit and pay handsomely a tax on the profit they make.

I thought, Mr. Speaker, I should get up and at least try to put in context some of the things which I heard my friend, the Hon. Member for Winnipeg North, say. Even if the Hon. Member does not have farmers, fishermen or a lumber industry in his constituency, he would have to recognize that, on balance, very many people are going to benefit, such as small employers and small businesses in this country which he and his Party likes to think they support.

Mr. Orlikow: Mr. Speaker, I am sure the Minister knows that when we come to dealing with this Bill clause by clause we will support the Bill and give the Government whatever

credit to which it is entitled. I would like the Minister to compare the benefits to farmers of the provisions in this Bill, such as the farm fuel tax, with the tremendous burden which high interest rates are causing these farmers in the Minister's constituency and in every other constituency in Canada. If I remember correctly—and the Minister is right, I have only a few farmers in my constituency—a recent study showed that 17 per cent of all farmers are in very serious danger of losing their farms, many of which have been in their families for three or four generations. The burden of high interest rates on loans which they have had to make is so onerous that they simply cannot continue. I wonder if the Minister could not compare that kind of problem with the relatively small benefits—and we do not oppose those benefits—which will come to farmers as a result of changes in the sales tax on farm fuel?

Mr. Deputy Speaker: I would like to advise the Minister that there are only two minutes left for the question and comment period.

Mr. Mayer: Mr. Speaker, at the time you recognized me I thought you recognized me as speaking on the Bill rather than making a comment or asking a question. In any event, it will not take me very long to respond to the Hon. Member.

The Hon. Member for Winnipeg North raises a very interesting question, but let me tell him that farmers have as much at stake in the reduction of interest rates as does any sector of the economy. It is interesting to note—

Mr. Orlikow: What are you doing about that?

Mr. Mayer:—that it takes as much money to create a job in the farming sector now as it does in the manufacturing sector because farming has become so capital-intensive in this country. It is, therefore, in the farmers' interest to see that we do everything we can to reduce our deficit. If we do not do that, instead of paying \$1 out of every \$3 which is collected in taxes to service interest, it will very quickly increase, and farmers, because they have such a capital-intensive industry, will find it more and more difficult to finance because of the pressure of interest rates. I want to tell the Hon. Member that farmers have a tremendous amount at stake in terms of getting interest rates under control in this country. What we are doing here is trying to look at the over-all picture. Admittedly, there was a reduction in government spending of \$4.4 billion. However, at the same time it was done in such a way that there were some benefits provided to some of the sectors of the economy.

It is true that the reduction in farm fuel tax is small, but at least it is not an increase. It is a recognition of some of the problems which are there. If we can manage our fiscal affairs properly as a federal Government, then we have a chance to bring interest rates down, not only to the benefit of farmers but to the whole economy. In that case everyone will benefit.

Mr. Orlikow: Mr. Speaker, the Minister represents a farming community. He is concerned, as he should be, with the welfare of our farmers. Let me ask another question. Given the need for farmers to produce foodstuffs more cheaply, more