

Supply

Mr. Mazankowski: This motion really has its genesis in the terrible state of the economy in which this country was when we assumed office. We all know that the economy of this country was in trouble at that time. Most if not all of our basic wealth generating job creating industries were barely hanging on when we assumed office. This motion condemns us for failing to address some of those very difficult issues which we are addressing and which we are turning around. I think it is worthwhile to review some of the facts. Let us look at one of our basic industries.

The Member who preceded me talked about agriculture. Let us look at the state of the agriculture industry at the time we assumed office. Farm bankruptcies reached a record of 551 in 1984; there were 488 in 1983, 410 in 1982 and 125 in 1979. Over 1,500 farm bankruptcies occurred during that four year period. That does not tell the whole story. It does not illustrate the number of people who voluntarily gave up, packed their bags, went away and left the land.

Realized net farm income in 1984 was \$3.9 billion, less than half what it was 10 years ago in real inflation adjusted dollars. As a matter of fact that net farm income reached its lowest level since 1970 and the third lowest level since 1938, some 45 years ago. That was the state of the agriculture industry when we assumed office. Land values in many areas dropped as much as 50 per cent of the purchase value. The Farm Credit Corporation estimated 39,000 or 15 per cent of Canadian farmers were in serious difficulty.

Our Government acted immediately; we acted immediately to assist our farmers in alleviating some pressures of the cost price squeeze. We removed the federal sales tax on farm fuels. We triggered a \$450 million interim payment for the 1984-85 crop year from the Western Grain Stabilization Act, the largest payment ever made. We brought in legislative measures to make sure that this legislation would conform to the realities and the needs of the producers. We brought in a freeze on the St. Lawrence Seaway tolls which has saved the farmer \$1.5 million to \$2 million. We imposed a moratorium on Farm Credit Corporation foreclosures. There has been a significant decline in interest rates since we assumed office. We are restoring branch lines which were dismantled, or were to be dismantled by the previous Government. We have established an inquiry into the future of branch lines to determine if short-line operations or other options are available and can be utilized for the provision of services in those areas where branch lines are being threatened. We are looking for new ways and means to improve the grain handling transportation system. We are amending the Western Grain Transportation Act by removing the volume cap, smoothing out the erratic fluctuations, providing a freight rate ceiling over the next two years. We have introduced a red meat tri-partite stabilization program. We have fulfilled our commitment with respect to dual labelling of farm chemicals to avoid costly mistakes and confusion arising from the arbitrary metric only system imposed by the previous Government. We have introduced a shared risk mortgage plan to the Farm Credit Corporation to help protect farmers from possible interest rate increases. We

have provided matching federal-provincial support to the Canadian sugar beet industry in order to make sure that the immediate survivor of this industry is secure while developing a long-term, long-range stable sugar policy in this country.

Those are the things we are doing, Mr. Speaker. That is not a complete list, but when you look at the commitments we made in Prince Albert, most of them are being acted upon or have been fulfilled.

Let us look at another of our wealth generating industries. Let us look at the state of energy. We all know that the former Government delivered unto western Canada and the energy sector the most pernicious policy ever delivered upon any industry or region in the country. The impact and the fall-out from that was absolutely disastrous.

I will quote from the Petroleum Resources Communication Foundation of 1982 on what happened after the National Energy Program. We have to remind this House and the Canadian people of the policies of the past Government which led us to the state of economic chaos we were delivered into, particularly that which we took over on September 4, 1984. This article reads in part that, with the National Energy Program:

—drilling activity plummeted from record highs to record lows. Of the estimated 10,000 wells to be drilled in 1981, only 6,900 were actually drilled.

Canada's drilling rig fleet is one third the size that it was a year ago with more than 200 drilling rigs moved to areas outside of Canada.

Geophysical activity is down 45 per cent.

Industry exploratory budgets are down 40 per cent.

The decline in exploration activity has a significant impact on Canadian oil reserves. Remaining reserves at year end were down to pre-1962 levels.

Cash available for reinvestment has been reduced 20-25 per cent; current taxes from the industry rose 75 per cent and interest payments on debt are up 100 per cent.

Alsands, Cold Lake and expansion plans for the Suncor and Syncrude plants have been cancelled.

20,000 jobs have been lost primarily in the drilling and service sectors of the industry. Hiring freezes have been adopted by many companies.

I could go on, Mr. Speaker. That is the kind of situation and policy which delivered the economic pay-off that we inherited when we assumed the Government of Canada.

This Government was elected on a mandate of change, to bring about economic renewal and national reconciliation. The two energy accords that were negotiated are a clear indication that the national reconciliation has been achieved and that we have recognized that energy can be used as a major instrument, the major engine for economic growth and development. I think these two accords truly demonstrate the new spirit of co-operation and harmony that exists between the two levels of Government. We have only to look at clippings from newspapers to bear that out. For example, *The Globe and Mail* in its March 30 edition reads:

This accord is good for Canada. It enjoys the support of those who own and develop the resources, the vast majority of whom are Canadians. It reduces inefficiencies and distortions while it increases incentives and rewards. It does not ask the energy industry to "save Canada" or bail out the federal treasury; it asks the energy industry to produce oil, gas and jobs.