

I have here a letter from the office of the Hon. Member for Québec East about a policy for giving preferential treatment to financial backers of the Conservative Party when letting Government contracts, a matter involving one million dollars per year.

Why does the Government let taxpayer's money be used to promote, assist and even reward the friends of the Conservatives?

[English]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Government is doing nothing of the kind. I am aware of the media reports with respect to the letter referred to by the hon. gentleman. Upon his return from being out of the country, the Hon. Member for Québec East immediately sent an apology to the Prime Minister for the erroneous information which went out of his office in his absence. Further, he sent to each and every—

Mr. Turner (Vancouver Quadra): How long a trip was it?

Mr. Nielsen: Further, he has sent—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): When is he coming back?

Mr. Nielsen: Further, he has sent, to each and every recipient of the original letter, an apology for the erroneous information therein contained. He has, in addition, set forth the correct procedure for the letting of contracts by the Department of Public Works.

Mr. Boudria: Mr. Speaker, I am well aware of the deathbed repentance letter which was sent.

ROBERGE COMMITTEE MEMBERSHIP

Mr. Don Boudria (Glengarry-Prescott-Russell): According to reports, the Member for Québec East is not only a member of that caucus, but a member of the Roberge committee on patronage—

Mr. Speaker: Order, please. The Hon. Member made two statements in his first question. Will he come immediately to the question?

Mr. Boudria: Why is the Government sanctioning this kind of activity by allowing this Member to sit on the Roberge patronage committee?

[Translation]

And why didn't the Prime Minister or the Deputy Prime Minister immediately demand the resignation of the Hon. Member for Québec East?

[English]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, what the hon. gentleman has said is totally misleading and incorrect. He has admitted that

Oral Questions

he is aware of the apology which was extended by the Member for Québec East acknowledging the mistake he had made and setting out the correct procedure to all of those who received the original letter. All of us make mistakes, Mr. Speaker, even the Hon. Member who put the question.

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AGRICULTURE

ELIMINATION OF INVESTMENT TAX CREDIT—EFFECT ON FARMERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Agriculture. As everyone knows, this Budget means taxes, taxes, taxes. We have just discovered in the *Budget Papers* a hidden tax on the farm families of the country.

Is the Minister of Agriculture aware that the elimination of the investment tax credit for farmers means that Canadian farmers will have to pay an extra \$150 million per year, of which Saskatchewan farmers will have to pay an extra \$50 million per year? What influence did he have with the Minister of Finance?

Mr. Deans: None, I assume.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member was very cautious not to acknowledge the fact that in the Budget, in addition to the long list of special measures which the Government has directed to the agricultural industry, the Minister of Finance has provided additional support exceeding \$400 million over the next two years. The Member very carefully avoided asking that question.

MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want an answer. Is the Minister of Agriculture aware that by eliminating the investment tax credit for farmers there will be a 50 per cent increase in federal tax payable by the farmers of the country? Is he aware of that, Mr. Speaker?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it is obvious from the Hon. Member's interpretation of the Budget that he has not recognized the changes which took place in Canadian agriculture from 1981 until 1985. He is not looking into the future to 1986.

Mr. Rodriguez: Answer the question.

Mr. Wise: The investment tax credit certainly had a purpose when it was in place. However, I have talked to farmers across the country, and to accountants working for farmers. The message I receive from them is loud and clear—

Mr. Speaker: This is becoming long. Order, please.

Mr. Deans: The more you talk, the less convincing you are.