

*Oral Questions*

on farm fuels? For instance, the 9 per cent federal excise tax amounts to about 20 cents a gallon on farm fuels. Is the Minister in favour of reducing that?

Second, there is a 50-cent per mcf tax on natural gas used in the production of fertilizer. If we could remove that tax it would reduce that cost of a tonne of 11-55 fertilizer by something like \$15 to \$20 a tonne. Is the Minister in favour of that? If he is, will he make representation to the Minister of Finance to see that those taxes are reduced to assist farmers this spring in getting their crops into the ground?

**Hon. E. F. Whelan (Minister of Agriculture):** Madam Speaker, the Hon. Member said that a lot of members of his farming community are having difficulty financing their spring operations. I would like to know if he could be more specific and let me know what farmers and with what lending institutions they are having that difficulty, because no one has given their names to me at this time.

Farmers have the best repayment ability of any group of businessmen in all of Canada.

**Some Hon. Members:** Oh, oh!

**Mr. Whelan:** If the lending institutions are not allowing them to have proper financing to plant their crops, I would like to know that.

When the Hon. Member talks about whether I am in favour of lessening taxes, I would like to be able to say that we could abolish all taxes in Canada. But we have to be more realistic than that. When the Hon. Member talks about the cost of fuel and he talks about the cost of energy for farming, he knows and I know, that that cost is about 3 per cent of the cost of farming operations. It is not one of the major costs as the Hon. Member has outlined to you, Madam Speaker, at the present time.

**Mr. Mayer:** Madam Speaker, the Minister of Agriculture displays a great lack of awareness and ignorance of what is going on in the farming community this spring. I have sent the Minister letters on behalf of constituents of mine, in the last two weeks, who have made suggestions as to how they would like to see the situation improve. If the Minister is looking for names, all he has to do is to go to his files and he will see the names I have sent to him in the last two weeks.

## COST OF REFUNDING TAX IN MANITOBA

**Mr. Charles Mayer (Portage-Marquette):** Madam Speaker, my next question is also for the Minister of Agriculture. Specifically, in Manitoba's case there is a situation where the federal Government collects 7 cents a gallon on farm fuels and then refunds it. If that portion of that tax is not collected it will not have to be refunded. This would save the Government money in terms of the bureaucracy and it would mean that farmers would not have to pay 7 cents a gallon right now. Would the Minister of Agriculture be in favour of doing that, and will he see that that kind of representation is made to the Minister of National Revenue?

**Hon. E. F. Whelan (Minister of Agriculture):** Madam Speaker, on certain volume buying, et cetera, farmers do not pay tax on diesel fuel, et cetera, when they receive it. There has been representation made to me about that.

● (1120)

If the Hon. Member has written letters to me and has given me specific names, et cetera, I have not seen them as yet. I will check my files, et cetera, to make sure. I am talking about the lending institutions being named and the exact types of operations. I believe there were one or two farmers I am very much aware of in the Members' area, but the specific mention to me was about getting long-term credit in those areas with the Farm Credit Corporation or arranging financing through their own local credit unions. I cannot remember being told about not being able to get operating capital for this spring.

I have had meetings with the head of the Farm Credit Corporation. We are looking at how we can even make further amendments to the Farm Improvement Loans Act, to use that kind of a lending institution to assist farmers with capital if, say, lending institutions decide not to allow financing to this group of people who are some of the most productive people and, as I said, have one of the best repayment records of any group of business people in Canada.

**Mr. Mayer:** It is well known in the farm community—and the Minister could check with fertilizer dealers—that the use of fertilizers will go down this year as a direct result of producers having trouble obtaining financing.

\* \* \*

## WESTERN GRAIN STABILIZATION ACT

## REQUEST FOR EARLIER PAYOUT PROVISION

**Mr. Charles Mayer (Portage-Marquette):** Madam Speaker, I would like to direct a further supplementary question to the Minister of Transport who is responsible for the Western Grain Stabilization Act. Would the Minister be prepared to look at amending that Act so that the stabilization period would go from five years to three years? In effect that would trigger a payout in this crop year, almost immediately, or as quickly as the arithmetic could be done, of something like \$150 million. That would not put the fund in jeopardy.

The fund currently sits with in excess of \$600 million in it. With the current rate of contributions, at the end of 1983 it will have approximately \$800 million. This is a case where there is some farmers' money and some Government contributions. If the Government were willing to look at that Act to see if we could go from five years to three years, it would trigger a payout in western Canada of \$150 million, put money in circulation, and assist—

**Madam Speaker:** Order, please. When is the Hon. Member going to finish his question?