

American airlines fly to nearly twice as many destinations in Canada as Canadian airlines fly to in the United States. The Americans had \$150 million in trade surplus last year on air travel between our countries. Do we have to let them put Canadian airlines out of business as well?

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FINANCE

SIZE OF GOVERNMENT DEFICIT

Mr. Dave Nickerson (Western Arctic): Madam Speaker, the federal deficit is like an accordion; it is infinitely expandable. So says the Minister of Finance in the latest of his not so astute commentaries on national government finance.

Last year, shortly after taking office, this Minister promised us a budget early in the new year. After the calamities of his predecessor, many Canadians had hoped that such a budget would be designed to put Canada back onto a solid financial footing, but it now appears that the budget will be delayed at least until April. Then it will be no more than yet another exercise in Liberal fiscal gimmickry designed with short-term political expediency in mind, a budget with ever-increasing deficits which will guarantee high unemployment coupled with continuing inflation in the years to come. The Minister may toy with his wheezy financial squeezebox while Canada burns, but let me tell him that it will not expand forever.

Canadians must be wise enough to rid themselves of an incompetent Government that has no financial policies except to raise taxes and increase deficits, before this great nation is utterly destroyed.

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ENVIRONMENTAL AFFAIRS

OPPOSITION BY UNITED STATES INDUSTRY TO ACID RAIN CONTROLS

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Revenue): Madam Speaker, the Canadian Press has reported recently that some of the major U.S. air polluters are asking some of Canada's industries to support their opposition to strong acid rain controls in the United States. According to Canadian Press, the American companies made the approach to the U.S. and Canadian Chambers of Commerce and industrial representatives from both countries when they met in Toronto recently to work out a joint position on acid rain.

This move comes as the Canadian Government is attempting to negotiate a clean air pact with the U.S., including a 50 per cent reduction in acidic air pollution by American industries. Presently these talks have been stalled by the U.S. Government on the grounds that there is insufficient information about acid rain. Yet it is probable that U.S. legislation to control acid rain will be passed this year.

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While U.S. companies are attempting to temper and modify some of the stricter acid rain provisions that are being promoted, I strongly urge that the Canadian companies involved continue to support the Canadian Government's request to cut back on acidic pollution and encourage their U.S. counterparts also to comply with this policy.

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FINANCE

SUGGESTED REMOVAL OF TAX ON FUEL USED FOR AGRICULTURAL PURPOSES

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I see the Minister of National Revenue here. I hope he pays attention because this statement is addressed to his Department.

• (1410)

Canadian consumers pay a lot of taxes and one of the forms in which they pay is a tax on gasoline. Approximately 60 cents a gallon in tax is paid on gasoline. The Government has recognized, and I agree with it, that one of the ways we could keep down the cost of food is to lower the input cost to farmers. As a result there has been a seven cents per gallon rebate made available to farmers for fuel that is used in basic agricultural production.

What happens is that a lot of farmers have difficulty in filling out the forms and they find that it is a lot of bother to pay the tax, first, and then ask for a refund. What I am suggesting to the Minister is that he look at the possibility of not collecting this money in the first place. In my own Province of Manitoba where the enforcement procedure is in place, which is the RCMP, it is illegal to burn "blue gas" in anything other than farm vehicles.

The system for enforcement is already in place, so it would be very easy to recommend to his Department that this tax not be collected in the purchase price. That would accomplish three things. It would lower the cash cost that a farmer has to incur to get his crop in, in the spring; it would lower the cost to the Department in terms of not having to collect and then refund the money and, thirdly, it would accomplish all of this without increasing the deficit one penny.

I would urge the Minister to take a serious look at this very practical suggestion.

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THE ECONOMY

DECLINE IN GROSS NATIONAL PRODUCT IN 1982

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, the real GNP dropped 4.8 per cent in the year 1982. This is the first fall in real Gross National Product since 1954 and it is the most pronounced decline since 1933. This was the sixth quarterly decline in a row.