

S.O. 21

own, are faced with low prices. These prices bear no relation to market forces or cost of production.

Today the Government has responded to the concerns of those producers with a number of measures, foremost among which is the raising of the maximum allowable price for domestic wheat to \$11 per bushel.

At present the farmer's share of a loaf of bread is hardly enough to make one decent sandwich. Our producers can now look forward to some relief as a result of today's domestic wheat initiative, an initiative which will have a minimal effect on Canadian consumers but represents a tremendous boost to western wheat growers facing a subsidy war between the United States and the European Economic Community.

This domestic wheat initiative is but one of a long line of agricultural measures put forward by the Government. The Government stands fully behind Canadian wheat producers.

Over the course of the last 20 months the Government has done more for Canadian agriculture than any previous Government in Canadian history.

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FINANCE**EFFECT OF TAX MEASURES ON LOWER-INCOME FAMILIES**

Mr. Sergio Marchi (York West): Mr. Speaker, a recent study released by the National Council of Welfare has confirmed that the Conservative Budget of 1985 and economic statement of 1984 will leave Canada's working poor worse off than they were before. While the wealthy got a \$500,000 lifetime capital gains exemption, the poor were hit by the partial deindexation of child benefits and personal tax exemptions, a 3 per cent surtax, and higher federal sales and excise taxes.

Over the next five years a family with two children and a single income of \$10,000 annually will lose \$905 in disposable income. At \$21,000, which is the poverty line, the loss is some \$2,334. But those with an annual income of \$100,000 will actually see a gain of \$517 in disposable income.

It is time that the Government recognized that its regressive and short-sighted economic policies are not working on behalf of all of Canada. In fact they are creating and enhancing two different Canadas, where those in greatest need have been forgotten. That is simply a national disgrace.

[*Translation*]

AGRICULTURE**ABOLITION OF ALL FEDERAL TAXES ON FARM FUELS**

Mr. Marc Ferland (Portneuf): Mr. Speaker, the agricultural community has been hard-pressed over the past several years and, as a result of the former Liberal Government's indifference, its real income has gone down by 50 per cent in the past decade.

The September 1984 election was our Government's starting point to implement an unprecedented number of measures designed to help agricultural producers whose work and productivity have been feeding Canada and the rest of the world. A new series of agricultural measures were announced this morning by the Right Hon. the Prime Minister (Mr. Mulroney). As of tomorrow all federal taxes on farm fuel will be repealed. This will entail annual savings in excess of \$80 million at a time when our farmers need them most.

Mr. Speaker, this is the way our Government intends to spur the Canadian economy.

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● (1410)

[*English*]

EXTERNAL AFFAIRS**CANADA-UNITED STATES RELATIONS**

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, how many more times must Canada continue to be embarrassed by the naivete of the Prime Minister's (Mr. Mulroney) relationship with the President of the U.S.? He is negotiating a free-trade agreement with an America that not only imposed a countervail on us yesterday but made it clear that it intends to keep the right to impose such duties no matter what. Only the truly gullible could regard this as a hopeful process.

This reminds us of another hopeful process which led to the appointment of the acid rain envoys, and a report by them which recommended no research and no actual reduction, and which, in spite of presidential endorsement, now appears to be an item which the U.S. administration does not even intend to budget for, according to what U.S. Energy Secretary John Herrington said at a Congressional hearing yesterday.

Democrat Henry Waxman, quoted as saying wryly: "We sure fooled those Canadians," would have been kinder to a great many Canadians who were not fooled if he had said: "We sure fooled those Conservatives".