

*The Budget—Mr. Monteith*

federal surtax. High income Canadians are asked to pay even more, and large corporations will be required to pay more tax through the large corporations tax. There have been changes to the federal sales tax, but changes have also been made to refundable sales tax credits in order to compensate low income Canadians.

Our Finance Minister has carefully weighed his options. Expenditure and revenue measures have had considerable analysis in order to present a fair and balanced Budget. This Budget contains many complex issues, but the most important point of this Budget is that all Canadians will share in securing the future of the Canadian way of life.

**Mr. Vanciel:** Mr. Speaker, just a few comments to the Hon. Member for Elgin (Mr. Monteith). First, I want to congratulate him on his maiden speech in the House.

Knowing that the Hon. Member is very involved in the agricultural community, I noted with interest the way he skirted around what the Budget is really going to do to agriculture and the bringing into line with the concerns of our fellow farmers south of the border. All I can say is that if this Government has another two or three Budgets to take a crack at Canadian agriculture in the manner in which it did in this Budget, we will have a level playing field, but it will be the playing field of the farmers south of the border.

The Hon. Member made the comment, for example, about the gas tax rebate staying in place until January 1, 1990. However, he did not make it as clear as I think he should have, in order to be fair to farmers, that they are going to be unable to reclaim the tax starting January 1, 1990 and this will cost Canadian farmers \$100 million a year.

I would like to know what the Hon. Member is hearing from dairy farmers. I know what I am hearing from the dairy farmers in my riding, namely that supply management is being pecked away at. Will he make a few comments about that? Perhaps also he could give some comments about the concerns of pork producers. The Americans right now are insisting that a bond be posted at the rate of 3.5 cents a pound for chilled and frozen pork that we are shipping to the U.S. I would ask the Hon. Member to tell us about the views of the

agricultural producers of his riding on these issues. Are they happy with the pecking away of last week's Budget?

• (1610)

**Mr. Monteith:** Mr. Speaker, I thank my hon. friend for the question. He mentioned that farmers are concerned about the pecking away of the Budget. I would like to remind him that the Government supports agriculture. Never before has a Government bent over backward for agriculture. Just today, I made a statement in the House about import controls for hatching eggs and chicks, and I believe that supports the fact that the Government is fully behind supply management in Canada.

The Hon. Member mentioned the pork situation. I realize that the American Government is talking about imposing that bond. It has not yet been imposed, and I believe that the federal Minister of Agriculture (Mr. Mazankowski) indicated in the House the other day that the Government of Canada will be fighting that.

**Ms. Langan:** Mr. Speaker, I have two questions for the Hon. Member. I would first like to congratulate him on his maiden speech in the House. I know the feeling.

The Hon. Member said that the provinces will continue to share in the cost of child care under the Canada Assistance Plan. Would the Hon. Member agree that the Government should insist that all federal-provincial transfer payments be spent on the services for which they are transferred when they go to the provinces?

Second, I was very pleased to hear the Hon. Member say that the Government supports the agricultural industry. I meet regularly with the dairy farmers of my riding. In fact, the dairy farmers are quite alarmed about the fact that hundreds of litres of milk a day come from the United States. Duty is supposed to be charged on that milk, but in fact the milk that pours across the border affecting farmers in the Fraser Valley is not charged duty by the National Revenue Department. I wonder if the Hon. Member could comment on that.

**Mr. Monteith:** Mr. Speaker, I thank my hon. friend for her comments on my maiden speech to the House. I am sure that she experienced the same butterflies.

The Hon. Member mentioned child care. Of course, the responsibility for child care lies with the provinces, but the federal Government has committed, through the Canada Assistance Plan, to continue the payments that