

is a misleading statement that is just not true according to the industry.

He can challenge the industry and say: "Look, they were not telling us the truth. They weren't levelling with the House of Commons." But that is exactly what they were saying to us.

The same thing applies to fast food. We had the fast food people saying to us that they are also a very price-sensitive industry, that if kids have to pay 7 per cent on a Big Mac there might be fewer kids buying Big Macs and that their industry will be affected in a negative sense by the bill before the House.

I think that is a specific answer to his question. I am glad that he raised that question. I think that that part of the brochure at least is something that is propaganda and is not factual.

Mr. Gustafson: Mr. Speaker, the hon. member for Yorkton—Melville represents an agricultural riding, as I do coming from Souris—Moose Mountain. Yet the member failed to point out the net benefits for agriculture in the GST.

I want to lay those out for him right now. If a farmer buys a new tractor the end user's certificate is in place as it always has been. However, if he buys a battery, a chain, a ladder, a jack, a hammer, lumber, posts, wires or staples—all of these things—he can claim the 7 per cent back, which he has not been able to do up until now. Most of those items are taxed at 13 per cent.

I make the point that an average farmer will have a net benefit in the GST of \$1,500 to \$2,000. If he buys a half-ton truck there is a \$2,600 benefit on a \$20,000 truck.

There is definitely a net benefit here to agriculture. Agriculture is exempt but the member has failed to point that out to the people of his constituency.

I thank you for the opportunity to do this, Mr. Speaker.

Mr. Nystrom: Mr. Speaker, I refer my good friend for Assiniboia to the hearings of the finance committee in October when representatives of the Federation of Agriculture appeared before us. They said that the GST would add several millions of dollars per year to the costs

of farmers because of the additional administrative burden. That is what they are saying.

Mr. Siddon: They didn't understand it.

Mr. Nystrom: The member from British Columbia is saying that the farmers did not understand it. I do not want to challenge the farmers' lack of understanding or anything of that sort, but that is what the people from the Federation of Agriculture had to say. It seems to me that they would probably be experts in this because they are farmers.

Mr. Siddon: Spread the truth.

Mr. Nystrom: Somebody wants me to spread the truth. I am saying to you what they said to us, and I know that farmers know of what they speak. I just wish that the Mr. Know-it-all over here on the government benches would listen to the farmers.

The member for Assiniboia knows that for the ordinary farmer all the extra bookkeeping is going to be a burden. The red tape is going to be a burden. That is what the farmers have said to us.

I know the zero rating of many of the goods in terms of agriculture. I also know a recommendation in the bill that is there now that was not there before states that the farmer will have a certificate for big-ticket items. I know those things are in there.

I suggest in closing that there is no guarantee that the 13 per cent tax that already exists is going to be passed on to the farmer in its entirety. We do not know that. There have been many cases in the past where the raw material price has gone down, such as in crude oil in the Middle East, but the saving is not being passed on to the consumer at the gas pumps.

You cannot tell me that the entire \$18 billion of FST and MST now is going to be passed on to the consumer, whether it is to a farmer, a small business person or a home builder.

I suggest that the farmer will not be better off. If you listen to your constituents most of them are convinced that they will be worse off.

Mr. MacWilliam: Mr. Speaker, I have two short questions for the member. I think they should be clarified for the people of Canada. First, the Minister of Finance has repeatedly stated that the GST is revenue neutral. He has also stated that the tax is to be implemented to replace the manufacturers' sales tax which is not serving the manufacturing sector well.