

**Hon. E. F. Whelan (Minister of Agriculture):** Madam Speaker, I am surprised to hear an hon. member on the other side say that anything in the budget presented by the former minister of finance was regressive and suggest that we should adopt anything that is regressive.

All I can say is that I am sure the hon. member is aware of the representations made by the grape growers and the wine industry. Those representations are being reviewed at present.

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#### FINANCE

##### EXCISE TAX—RELATIONSHIP BETWEEN DISTILLED SPIRITS AND DOMESTIC WINES

**Mr. Joe Reid (St. Catharines):** Madam Speaker, my question this time is directed to the Minister of Finance. In view of the fact that his budget distorts the traditional difference in the tax relationship between distilled spirits and wines, and results in an average percentage increase of 6 per cent on spirits, 29 per cent on beer and 185 per cent on Canadian wines, how does the minister justify this unconscionable increase in tax on Canadian wines?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, I join the Minister of Agriculture in deploring such strong language as the hon. member directed against the former minister of finance. I gather he is asking his question today because the former minister is not in his place.

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

**Mr. MacEachen:** I would remind the hon. member that one purpose of the proposal was to remove what was regarded as a real distortion between the impact of taxes upon spirits and wines. If the hon. member would examine the alcoholic content of these various beverages, he would understand that we have moved to a more equitable, relative treatment of these beverages. Nonetheless, other hon. members—including the hon. member for Lincoln—have been making vigorous representations in the interest of wine growers. I have undertaken to look again at these proposals to see whether the complaints are justified and, if so, whether any action is then justified.

[Translation]

#### AGRICULTURE

##### REQUEST FOR ASSISTANCE FOR POTATO PRODUCERS

**Mr. Eymard Corbin (Madawaska-Victoria):** Madam Speaker, my question is directed to the Minister of Agriculture. Of course I do not have to remind the Minister of Agriculture of the serious condition of the potato industry in eastern Canada. However, in the medium term, could the

minister advise the House whether he has obtained a consensus from his colleagues the provincial ministers of agriculture with a view to setting up a potato marketing board in eastern Canada and, in the short term, does the minister intend to announce soon an assistance program for the industry which this year is experiencing the lowest prices in history?

● (1500)

[English]

**Hon. E. F. Whelan (Minister of Agriculture):** Madam Speaker, as I said earlier today in this House, the eastern regions of Canada—Ontario, Quebec and the maritime provinces—have held provincial ministers' meetings. New Brunswick has taken some action.

The minister of agriculture for New Brunswick has imposed a marketing agency upon the producers there in respect of potatoes. I have the same assurance from the minister of agriculture for Prince Edward Island, that they hope to do the same thing. Representatives of the province of Ontario have said yes, they are willing to go along with the National Farm Products Marketing Council holding hearings to decide what they should do. The producers in Quebec—at least, the ones I have heard from—have said yes, they want that. The members of Parliament from Quebec who have made representations to me have said that also.

I would repeat, again, as a result of a meeting with the minister of agriculture for Quebec in his office in Quebec City I got the feeling that he wanted to go along with this program also. I got the impression that he did not want to make that decision now because he might be looked upon as favouring the federal system, and he did not want to be in that position at this time.

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#### FINANCE

##### CAPITAL GAINS TAX—POLICY ON APPLICATION TO FARMERS

**Mr. Gordon Taylor (Bow River):** Madam Speaker, my question is for the Deputy Prime Minister and Minister of Finance. Has the minister had time to consider the once-in-a-lifetime exemption for qualifying farmers with regard to capital gains taxes?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Yes, Madam Speaker, I did consider that and, as the hon. member knows, I propose to release a discussion paper covering the whole question of capital gains, and within that general understanding it will be possible for the hon. member and for me to take a more comprehensive look at such particular concerns as the one he has expressed.

**Mr. Taylor:** Madam Speaker, has the Deputy Prime Minister and Minister of Finance received representations from the Minister of Agriculture in line with his election promise to change the valuation day from December 31, 1971, to December 31, 1974; and, if so, is this going to be done?