

Capital Gains Tax

takers. The farmers' costs are rising rapidly while their returns are diminishing as a result of exposure to the world market. The resultant cost price squeeze has placed many farmers in serious financial difficulties.

Many older farmers would like to retire at this time but are caught in this classic Catch 22 situation where they cannot afford to carry on yet cannot afford to sell either. Certainly, the abolition of capital gains on farm lands for continued agricultural use will enable that older farmer to secure enough for his land to retire with some dignity yet to permit land transfer at a price that a young purchaser can expect to repay.

I have no hesitation in supporting the Bill put forward by the Hon. Member.

● (1700)

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, before I make a few brief comments I would like to recognize the very capable and able way in which the Hon. Member for Lethbridge-Foothills (Mr. Thacker) brought forward this motion and presented it to this House with his explanation. I have known the Member for a number of years now and I know that he has a constant and genuine concern about all agricultural financing but particularly this area. He has great expertise that he can share with others in this House, and we will all gain from his input to this debate.

There is no question that the concerns raised by all Members who have participated in the debate today are real and genuine. There are serious problems in agriculture and serious concerns have been expressed in the House of Commons today. Solutions to all the problems of agriculture, obviously, are not to be found by adjusting the tax laws that apply to farmers. However, like other Members I welcome the proposal of the Minister of Finance (Mr. Wilson) to invite a parliamentary committee to study some of the important taxation issues affecting agriculture. The taxation of capital gains on farm land is one of these issues. In his November 8 economic and fiscal statement, the Minister also said he will be seeking the views of the committee on the complex issue of the taxation of part-time farmers and on the proposal which has been under discussion for some time for issuing agri-bonds as a way of reducing interest costs of investments in farming.

The House has before it a motion and there has been debate on it by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) as to why we should have to discuss this issue. But let me say to the Hon. Member that he cannot have it both ways. The Minister of Finance has already indicated in his November 8 statement, as was mentioned by a previous speaker, that we are stopping certain taxation measures on farm fuels. This results in a net return to agriculture of nearly \$100 million. That is a significant effort taken in the first economic statement which this Government has made. A number of other significant things have happened. Through the economic

statement, the Minister opened up the process. Comments were made during the election period, but even in the comments made here, regardless of how we approach it, we have been criticized severely for not having the level of consultation and co-operation on the one hand, and, on the other hand, we are being criticized here today for not acting post haste in coming forward with issues that have a significant impact on the entire agricultural community. In opening up this process and in bringing forward these issues into a special committee or a standing committee of the House, which is expected to bring back recommendations and to have considered this and other important agricultural financing issues, the Minister will be in a position prior to his next budget to do the kinds of things that are important to agriculture.

I think those are the two sides of the coin, Mr. Speaker. In balance, the Minister has attempted in short order to try to provide the opportunity for input and discussion that I think all Members of this House would like to encourage and support.

With that I would like to offer the support of the Minister of Finance and the Government for the motion presented by the Hon. Member for Lethbridge-Foothills. With the co-operation and understanding of other Members of the House, who I hope will be of like mind, we would like very much to see this motion referred to the appropriate committee.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, as I understand it we have until 5.07 p.m. before the House adjourns, that is two minutes from now. I do not think that any Member of this House wants to delay the question put forward by the Hon. Member for Lethbridge-Foothills (Mr. Thacker) who is simply reminding the Government of one of its many promises. The P.C. commitment to agriculture is, "to ensure financial stability for the agricultural community. We will abolish . . ." That is not "shall" and not "perhaps" but, "we will abolish the capital gains tax on the sale of farm property for continual agricultural purposes". The Hon. Member for Lethbridge-Foothills is simply nudging the Government and the Cabinet. He is reminding them that they made that commitment. I think each Member of the House supports the resolution which he put forward today in the manner in which he has always performed in this Chamber on behalf of his constituents.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion (Mr. Thacker) agreed to.

The Acting Speaker (Mr. Paproski): The hour provided for the consideration of Private Members' Business has now expired.

It being 5.07 p.m., this House stands adjourned until Monday next at eleven o'clock a.m., pursuant to Standing Order 2(1).

At 5.07 p.m. the House adjourned.