

*Farm Income*

ences on world food supply. It does its share to help underdeveloped countries or countries with insufficient food supply, and we can say that our current program is indeed very generous. The department wishes to remain active in this field.

Before resuming my seat, Mr. Speaker, because time is running out and one of my colleagues also wants to speak on this opposition motion, I would like to reassure the hon. member for Bellechasse (Mr. Lambert) concerning the dairy policy. He voiced his concern over the soon to be announced new dairy policy. I must reassure him because this government has always endeavoured to have the most viable dairy policy for milk producers in Quebec and in Canada.

I must assure him that a special committee of government members—an agriculture sub-committee—has been working for three months to produce if not the best, at least a very good dairy policy for every industrial milk producer in Canada. We certainly share the concerns of producer federations over reduced quotas, but we are aiming for the maintenance in 1978-79 of quotas issued in 1977-78, under a farm policy being developed by the sub-committee on agriculture and hon. members from this side of the House.

● (1722)

[English]

**Mr. Cliff McIsaac (Battleford-Kindersley):** Mr. Speaker, I want to thank the hon. member for Elgin (Mr. Wise) for introducing this motion today. I think it is very timely and appropriate that this House should discuss the problems and the plight of the farm producers of Canada. The hon. member spoke about declining farm income in various sectors. We then heard from other hon. members, including the minister. I commend the minister for his efforts and his devotion to the cause of the Canadian farmer.

Hon. members opposite like to criticize the minister at times, but I think in their hearts they know that this Minister of Agriculture (Mr. Whelan) has carried the cause of the farmer to every corner of this country and to every sector. He has done so at all times in a fearless, forthright manner. While hon. members opposite might at times disagree with him, I am sure they do not deny that fact and the effectiveness of the job he has done for the food producers of this country. The minister's efforts are not well known by many people, even people in rural communities who perhaps should have a better appreciation of farm producers' problems.

Farm production has become so complex that a great part of our population does not really understand some of the problems faced by farmers. I am happy to have in my possession a letter from which I will read one paragraph, as follows:

I need not tell you the high regard and esteem in which you are held by all associated with this Council.

This is a copy of a letter addressed to the minister.

As you indicated in your address, all of our members may not be Liberals, but let me assure that all accept you as a true friend and the best spokesman for horticultural producers we have known.

[Mr. Caron.]

That is signed by the secretary-treasurer of the Canadian Horticultural Council, and I think it is typical of the feelings of many farm groups in this country.

I realize that my time is very short. Having said what I have said with respect to the minister, let me say that I happened to see a clipping from a western Canadian newspaper over the weekend. It was a release by the deputy minister quoting a report of a task force on beef production. I only wish that some of the people conducting these studies who are working for the minister were as up to date as the minister is. According to this report, it costs 35 cents a pound to produce beef in this country today.

Somewhere along the line a report has been buried. That might have applied 15, 18 or 20 years ago, but it certainly does not apply today. I was amazed at that report, and I have not yet had an opportunity to find out where it came from or how it became public. I hope nobody in the minister's department believes that. I know the minister does not believe it. He knows that the situation is different from that. I only hope some of the officials he has working for him are more aware of the facts than that newspaper clipping serves to indicate.

An hon. member opposite mentioned capital gains legislation. I certainly agree with the hon. member for Wetaskiwin (Mr. Schellenberger) that there have been two major improvements for the farmer, but there is room for more. The initial rollover rights which apply now to the family farm—and have, I suppose, since the beginning of that legislation—could be expanded. I am sure the hon. member for Wetaskiwin is well aware that we have provided for an exchange of property to apply not only to the farmer but also to the small businessman. That was a major improvement.

We can certainly look forward to the extension of that rollover provision and other provisions relating to capital gains for the incorporated farm, which has over the years become the trend, according to tax advisers and others, for many farmers. Tax people recommended that, farmers picked it up and today they must leave their land outside their operating company. It seems to me that the law should be changed in that respect.

Perhaps we could look at another change, a change in the valuation day, December 31, 1971. Perhaps we could move that date forward and suggest an average of other dates to improve that figure to the benefit of the taxpayer. Perhaps we could provide some kind of indexation which would adjust the value of a particular farm. Another option might be a once-in-a-lifetime exemption for capital gains, whether for a farmer or a small businessman.

● (1732)

Precedents have been set with the former gift tax provisions under the Income Tax Act and other provincial legislation. That is an avenue which should be explored more fully. As a matter of fact, it is a resolution which was recently approved at the national Liberal convention, and I am sure there is no disagreement in principle on either side of the House with