

Committee Reports

one recommendation with which the Minister of Finance did deal, the \$500,000 capital gains exemption. He dealt with that on March 24. How redundant can we get? We are to send this report back to the committee and ask it to make recommendations to the Minister of Finance for legislation which will provide for an exemption of \$500,000 for farmers. The legislation for that is presently before the House.

It makes good sense for us to be debating this, Mr. Speaker, and it makes good sense to concur. I abhor the idea of the Member for Lethbridge-Foothills that we should refer this back to committee, therefore delaying concurrence and delaying the giving of instructions to the Minister of Finance to bring forward the recommendations which were suggested by the committee.

The farm economy has been suffering for many years. I suppose that the last few years have been the worst, maybe because we are getting down to the bottom of the barrel. From 1942 to 1952 we had what everyone in Canada considered to be a balanced economy. According to the available statistics, at that time Canadian farmers earned about 6.3 per cent of the national income as opposed to the national product. Since 1952 the income of the farming community has declined to less than 1 per cent of the national income. That is the basic problem with which we are dealing. We are not giving farmers enough return for their products. We can deal with financing and a number of other things, but the bottom line is that we must deal mainly with the return for farm products.

I was speaking about the lessening of the proportion of the national income earned by farmers in the last 30 years. Conversely, it is very interesting to note that in the period from 1942 to 1952 financial institutions earned about 1.26 per cent of the national income. In those days all sectors thought they were doing well. I suppose that in 1953 the economic situation in the country was as well balanced as is possible. Everyone, including the labourers, union and non-union, considered that they were doing pretty well. Since then the income of farmers has gone down by 85 per cent.

From 1942 to 1952 financial institutions earned 1.26 per cent of the national income while in 1982 they earned 10.7 per cent of the national income. Last year they got 9.6 per cent of the national income. If you have been reading the papers recently, Mr. Speaker, you will know that the banks in Canada have declared the best year they have ever had, so they are obviously earning over 10 per cent of the national income. The portion of national income for the farmers has been reduced by 84 per cent while the banks have increased by 661 per cent. It is obvious that something must be done about financing. Since it cannot be solved entirely in this fashion we must take a global approach toward farming.

• (1510)

One of the three items on which the committee made recommendations was the possibility of agri-bonds. The committee supported that concept but the Minister of Finance has not acted on giving us an agri-bond program which would have provided relief to some farmers and made it possible for them

to survive. The committee suggested a maximum amount of \$300,000 per borrower for a maximum term of five years, with a yield of 8 per cent. This would have been handled by the Farm Credit Corporation and would have been tax free as far as the lender was concerned. It would have provided relief to farmers in dire straits.

The Minister has not acted on this recommendation although every member of the committee, including 16 Government members, unanimously recommended agri-bonds as a form of relief for farmers. Where are those 16 Tory Members today? They should be advocating that the House vote for concurrence in this Bill. Instead, the Member for Lethbridge-Foothills presented a motion to send it back to committee so that the Government will not have to react and vote against its own recommendations.

Mr. Thacker: We will vote for the amendment.

Mr. Hovdebo: The only reason the amendment was moved is to delay concurrence. It is a method of filibuster.

Mr. Thacker: Read the motion.

Mr. Hovdebo: If the motion had been allowed to come to a vote, the Government would have had to take action on it. The 16 Tory Members who were on this committee would vote for this recommendation. It would have been a message to the Minister of Finance to implement an agri-bond system as the committee recommended.

The report also contains a recommendation about Section 31 of the Income Tax Act concerning mixed income for farmers. This relates to farmers who must work part time off the farm in order to survive. Some 25 years ago these farmers were allowed a possible \$5,000 in deductible losses.

Recently, full time farmers have had to work off the farm. While he is still losing money, he is no longer allowed that \$5,000 deductible loss against his outside income. Our recommendation in this report was very modest. We suggested that it at least be doubled so that the first \$5,000 be recognized as a loss and 50 per cent of the next \$10,000 be recognized as a loss for deduction purposes. Again, the Minister ignored this recommendation and 16 Tories would have voted against the Government and the Minister. That is why the Member for Lethbridge-Foothills moved the motion before the House, in order to delay the concurrence in this report.

The third recommendation of the committee concerned capital gains tax. We recommended \$400,000 capital gains tax exemption. However, the Minister gave farmers, speculators and people with condominiums in Florida a \$500,000 capital gains tax exemption. The motion by the Hon. Member for Lethbridge-Foothills is redundant. He has recommended that we send this report back to the Finance Committee and ask it to recommend something which the Minister has already done. The Minister has already implemented a capital gains tax exemption in his May 24 Budget and that measure is presently in legislation before the House. The motion means nothing because it is redundant. It is absolutely clear that this is a