

In the splendid and learned address given by my colleague from Lethbridge-Foothills his major point was that agricultural land is different from every other type of land. Today other countries are finding themselves in difficulty because they do not have enough agricultural land. The world is facing increased population as well as a decrease in the amount of food production. Underlying the remarks in his address of the hon. member for Lethbridge-Foothills was the importance of preserving our agricultural land for the production of food to feed Canadians and the people of the world. That point seems to have been missed by the member who spoke on behalf of the government.

I personally oppose capital gains taxes on all businesses. I think it is an unfair tax and it kills initiative. I believe it cuts down production and advancement. First, let me outline how it kills initiative. I know many farmers and their wives who have worked not as speculators but who have put their strength, backbone, blood and sweat into building up their farms. They have worked long hours and many years. At the end of the tunnel they saw the hope of selling their asset and being able to retire with dignity. They did not charge wages or work on an eight-hour a day shift. They built up their asset only to find that the government comes along and says it will take half of that increased value of their farm, capital gains as it is called. I do not think that is fair. I challenge any member in his capacity here to say that it is fair.

Take, for example, a couple sitting at their table hoping to retire, and on figuring out their finances they find they do not have enough on which to retire. Their only alternative is to stay on and work, even with failing health and advancing years. These people deserve some years of leisure. Instead of that, they have to stay on to work, but farm only to a minimum. They do just enough to keep themselves alive and to keep the farm going. They cannot run their farm as a young son would run it, or as a young man would run it, or as they ran it for many years. Production is reduced. They do not produce as much as the land can produce because there is no incentive for them to do so.

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I think we are overlooking a major point when we tell long-time bona fide farmers that they either have to give the government half of the capital gain they have built up with the strength of their backs, the work of their hands and the work of their wives and children or they cannot sell their land. Farmers have paid taxes all through the years. They have paid taxes on all their production. Exemptions for farm machinery were simply for the period of years that machinery lasted. As has already been pointed out, the farm home is not a factor in the sale of land today, whether it be with respect to our people or other people. There might be some very small effect, but when we buy land, it is bought for its production capacity and for the living it provides. It is land which is bought, and that is what the government is saying we must pay capital gains tax on.

### *Capital Gains Tax*

We should examine the situation in some other countries. In another debate this afternoon a Liberal member mentioned the high cost of food in some other parts of the world. The cost of food has risen here because farmers have been forced to ask and receive more and more for their farms.

In many cases they have been driven off their farms, and corporations have taken over. Family farms are disappearing, and as this happens we pay more for our food. We will pay through the nose if family farms disappear. Family farms are operated by husbands, wives, children, grandfathers, grandmothers, aunts and uncles, and this keeps the cost of production down. They do not work eight-hour days. They do not get wages. They do this work because they love the land, and they are building up assets. When we kill that initiative, we do something which is not good for this country. The more family farms we can have in this country the cheaper food will be.

I once spoke to a city group near Edmonton. This group was complaining because there was an increase in the cost of a certain food item. I pointed out to this group that if farmers, their wives and their children were not working on their farms—and they do not receive wages—and if those farms were sold to large corporations which hire people to work eight-hour days and five-day weeks, the price of the product about which this group was complaining would be doubled. That is what we are building up to in this country.

Farmers today have a difficult time remaining on their land. They are faced with frustrations. They are faced with taxes. They have to fight the weather. The whole operation is a gamble, and then the government has to get its hand in and take a chunk out of what farmers earn. There are some very sad farmers in this country. I had occasion to speak to 26 of them during the Christmas vacation. My heart bleeds when I see what farmers have to go through. They are given a quota for their grain, and then the elevators jam up because there are no cars. They have no cash flow and no money for Christmas. There is no money for their children to go to high school. Life on the family farm is not easy. This capital gains tax is one of the worst we have. It is a block of dynamite over farmers' heads. If we are to preserve the family farm, I plead with the government and Liberal members to show some consideration for the man on the land and exempt farm land which produces food from the capital gains tax. We would see the tremendous benefits that would bring to this country. That would be a good start. I plead with members of the Liberal party not simply to vote this down.

Let us send this matter to a committee and debate it there. Let us arrive at the very best solution possible so that production will continue, so that bona fide farmers will be able to continue to produce and so that we in this country will have enough food. Then we would be able to help the hungry in other lands as well.

**Some hon. Members:** Hear, hear!