I also think that farmers who own larger farms should be entitled to the same feature rather than just those with farms worth $100,000 or less.

● (1650)

Again, let us relate this to registered retirement savings plans for a variety of people. Let us assume that someone invests $3,500 a year in the savings plan for 35 years of their working life. The money they will have will exceed $1 million, including interest. Why should we give benefits to farmers that only amount to $100,000 when others have far greater benefits with respect to their retirement?

Of course, it could be argued that funds from the sale of farm land could also be put into a registered retirement savings plan so that farmers could enjoy that same benefit later.

While that may be true, we must remember that, in the case of farmers, their retirement planning pretty well takes place only once, that is, when they take the funds from the farm to invest. Since they do this at a later stage in life than those who invest in RRSPs beginning at the age of 25 or 30, it is usually a different method.

In other words, I believe farmers should be able to benefit from this particular clause not only for the first $100,000 but for a larger amount. I am sure that others could respond by asking what one would do in the case of large corporate farming concerns such as Heinz. Should they be able to benefit in this way? Of course, the answer is no.

On the other hand, those farmers who jointly own a few hundred acres of land with their sons for a dairy or other operation should be assured that the funds are available all at once without capital gains in order to benefit the maximum number of people.

When discussing this Bill today, we should remember that this issue is really on the periphery of the whole question of agriculture. I am concerned that while we spend time discussing issues such as this, which are not the most important questions facing agriculture, we may be digressing from the real concern facing all farmers, which is the availability of long term financing and the lack of adequate revenues for our farmers.

Last weekend I read an interesting paper on farmers' equity that was prepared by one of the major banks. There is a certain school of thought that perhaps some farmers were the cause of their own demise as a result of spending too much or purchasing more equipment than they needed. Certainly there are studies which do not confirm that belief. As a matter of fact, farmers still have a fair amount of equity in their farm, but the problem is that they never know what interest rates they must deal with. Mortgages are renewed on a very frequent basis now rather than the long-term financing that was available at one time in this country.

Perhaps we should concentrate more on discussing long-term financing, which was also promised by the Government during the election campaign. While today's topic is an important issue, it is peripheral to the central issue of long-term financing and adequate revenue generation for our farmers. Those are the two most important issues that we should address.

Last weekend I had the opportunity to meet with members of our local Federation of Agriculture. They gave me a copy of a brief which they presented to eastern Ontario members of the Conservative caucus. Their brief outlines a variety of promises that the Conservative candidates made during the election. The farmers commented on these promises during my meeting with them. It was their opinion that the two central issues facing farming today, at least for the farmers of eastern Ontario, were those involving financing and revenue generation.

When I asked specifically if capital gains should be directly connected to the agri-bond issue in the way I described earlier, it was their view that it should not be and that farmers should be able to take their money out of farming when they retire, without having to put it back into an agri-bond in order to get the capital gains exemption we are discussing today.

I am in favour of this particular resolution while recognizing that it must be done in such a way as to ensure that the farmers rather than large corporations benefit from it. I also recognize that there are other issues in agriculture which we should be addressing as a priority rather than this issue.

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I wish to make a few remarks. First, many of my constituents will welcome this Bill that was introduced by the Hon. Member for Lethbridge-Foothills (Mr. Thacker). With regard to the previous speaker, I would point out that any reference to agricultural land in this Bill is land sold for continued agricultural use. That should be understood throughout. It is the policy of this Party and I am sure it is the import of the Bill we are speaking to today.

In the interest of some stability and because many people acted in good faith on the RRSP proposal, our Government decided to carry on with it, pending a report of the soon to be formed committee to study a number of aspects relating to farm financial matters. These matters include Section 31, capital gains and agri-bonds.

I was particularly interested in some remarks made by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) with respect to Saskatchewan. The farm capital gains problem is relatively more acute in Saskatchewan and it has been exacerbated there because our friends in the NDP had a land bank program in the Province of Saskatchewan which helped to drive up land prices drastically. In their lust for collectivization, or state ownership of land, they taxed Saskatchewan farmers and used their tax money in order to outbid them for land. To add insult to injury, they turned around and leased that land to their friends for rentals which were well below the fair market value. Perhaps it is the NDP who should do some homework when talking about this issue.

The first relief in regard to capital gains should go to the farming community by virtue of their unique position as price