

The Budget—Mr. Hovdebo

When farmers have to sell below the price of production, obviously they will get into trouble. That is the root of the problem. That is why the Government is now searching for ways and means to provide the farmer with the opportunity of getting his cost of production plus a reasonable product.

The parity price program introduced by one of the Member's own colleagues never saw the light of day until our Government came into office. Now that program is being pursued. I believe there is some hope in parity prices for our farmers. That is only one thing we are doing.

I was astounded when the Hon. Member said that the capital gains exemption was an instrument to get people off the farm. That is not the purpose of the capital gains exemption at all. The Hon. Member for Prince Albert must recognize, and surely recognizes, that the land is the only nest-egg a farmer has. When a farmer spends 35, 40 or 45 years on the farm with his wife and family, part of his life is in that farm. When he wants to retire, unless he is able to get something for the nest-egg he has built up over a period of 35, 40 or 45 years, he is simply subjected to welfare.

The Government has seen the light. It has said that a farmer can now sell his land, get sufficient money for it, and that it will not take a big chunk from the proceeds, as the previous Government did. The farmer can sell his land and have the money on which to live for the rest of his life with his wife and family and also keep a reasonable standard of living.

The capital gains exemption is not to get people off the land. It is to treat those who have spent their lives in farming in a fair and honest way. Ours is the first Government that has recognized that point.

Let me come now to the issue of natural gas. The price of oil is coming down. I have not heard anyone in the Opposition mention the need to reduce the cost of fertilizer for farmers, yet natural gas is one of the major components of fertilizer. As gas comes down, we expect the fertilizer price to come down also, which will be a great help to the farmer because fertilizer is necessary for him.

I ask the Hon. Member for Prince Albert, who has a good knowledge of farming, why he says consistently that capital gains exemption is to get people off the land, when its real purpose is to reward those who have spend their lives farming the land.

Some Hon. Members: Hear, hear!

Mr. Hovdebo: Mr. Speaker, I could not expect the Hon. Member for Bow River (Mr. Taylor) to know it but the policy of a capital gains exemption for farmers and small business people has been part of New Democratic Party Policy for many years. We support it entirely in that sense for those people and for the same reasons as the Hon. Member for Bow River suggested.

My disappointment with the Government is that it picked those areas to give help allowing people to get off the farm rather than allowing people to survive on the farm. I have no question about the validity and support of his arguments.

I want to comment on a number of other things the Hon. Member said. Unfortunately, over the years, and I do not only put this Government in the category, Governments generally have given lip service to the family farm. I can criticize my own Governments in the provinces as well. Getting money to survive as a Government and not making money available for the family farm to survive seems to take precedence. Governments do not support family farms as well as they could.

I am glad to hear the Hon. Member for Bow River support the parity price idea. As he said, farming is becoming quite quickly the only part of the industry, the producer part of the agricultural industry, which is on a straight market system. Farmers put the product on the table and ask how much they will be given. We have to do something about that.

A fellow who builds a car finds out how much it will cost to build the car and then adds 100 per cent and says that this is how much he will charge for the car, and he gets away with it. We have the same thing with the oil companies, although now they are hurting a little bit. OPEC and Britain have decided to compete. Maybe that is the first sign of a true market system in the oil industry that we have had for many years. Britain and some of the other producers are being forced to compete with OPEC.

● (1240)

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Medicine Hat (Mr. Porter) have a short question or comment? The time for questions and comments has just about expired.

Mr. Porter: Mr. Speaker, I would just like to make a short comment in response to the Hon. Member for Prince Albert (Mr. Hovdebo). I respect the views which he has expressed. His background in agriculture stands him in good stead. It is unfortunate that, in many cases, those who make the rules in this business do not have to play the game.

The Member made a number of comments with regard to the Budget and the changes which were implemented. The gas pricing which was to have expired has been extended. I realize the cost is still high, but a benefit of approximately \$120 million for Canadian farmers is being continued. It has been indicated from time to time in the House that the capital gains tax exemption is a break for rich people who will receive all the benefits. I remind those who served in the former Government that when that tax was brought in it increased the price of farm land. When farm land was sold its price was increased by the amount of the capital gains tax. This resulted in the increased cost of farm land which we are paying today. We are paying for the high interest rates of the late 1970s and early 1980s.

Almost \$1 of every \$4 of agricultural income has come from one level of Government or another. While there has been limited action taken on the situation that the Government inherited, there were some steps taken in the Budget. With regard to input costs, commodity pricing, and research, more