

*The Budget—Mr. Hovdebo*

no teeth; in fact it is nothing but an opportunity for farmers to talk with their bankers and to have someone else present. That will not contribute to the solution of the debt problem.

Third, in the assistance to farmers there is the world transition program to help them get out of farming. Like the \$500,000 capital gains exemption, it is assistance for them to get out of farming. There is nothing wrong with that, but one wonders how much value there would have been in assisting them to survive as farmers. The Minister of Education for Saskatchewan said recently in Regina that the Department of Agriculture recognized that some farmers would not be able to remain as farmers. I suppose we all recognize that, but the Government is gradually convincing the Canadian population that it does not need as many farms as there are at present. Before becoming Premier, the Premier of Saskatchewan said that one in three farmers had to disappear because they were uneconomic. Canadians do not want that number of farms to be reduced. The farm family life is a way of life. We want the Government to help us keep that way of life. The approach of the Government goes almost in exactly the opposite direction. It says that farms must be put on a basis where they can survive and, if they cannot survive, they must go. We do not pay them for the commodities they produce. We do not give them debt servicing which will help them survive.

I should like to refer to a couple of other items in the Budget. Some money will be given to tobacco farmers to remain in farming but to become involved in other crops. It is a very commendable program.

The final agricultural issue in the Budget is the fuel tax rebate. It is a very disappointing situation because Government Members have admitted, as have farmers across the country, that fuel has become a major cost. Any reduction in their input costs—fertilizers, chemicals, interest rates or fuel—could assist in their survival. The prairie pools, the Western Canadian Wheat Growers Association, the National Farmers Union and others have pleaded with the Government to take some action to eliminate entirely the taxes on fuels used in the primary industries, particularly agriculture. Those taxes should be taken off and the cost of fuel should be reduced so that that cost will have a lesser impact upon the profits of farmers. "Profits" is an unusual word in the agricultural industry these days because very few farmers are making profits. They are trying to survive; that is what they are trying to do.

I should like to turn to what is not covered in the Budget. Rather than assisting the farm community, the Government is attacking it. There are small things such as the elimination of postal rural routes. Farmers in rural areas have had these routes for many years. Not only are these routes being eliminated, but when they go to town to pick up their mail they will now have to pay for their postal boxes. Instead of free farm delivery, they will have to drive 35 miles or 45 miles to town to pick up their mail and of course will have to pay a rental on their postal boxes. Let us compare that with the service provided to urban dwellers. They receive their mail at the door and they do not have to pay any rental for postal boxes.

The Government took some limited action to reduce interest rates, but it could have done more. It could have reduced unrealistic input costs, but it took no action at all in that area. It could have done something about low commodity prices, but it took no action at all. It could have eliminated the taxes on fuel. It has taken limited action in that it will continue to pay the three-cent rebate, but it has been increased much more than three cents in the same period of time. It could have increased the amount of money for research.

Turning to research, it is very surprising that the Minister and other Government Members suggested that research funds for agriculture were being increased. We on the Prairies have been told that at least 35 employees must be dropped and that there is a 4 per cent cut in the Budget. The total effect will be a reduction of several programs which we hoped would continue. We got negative action in the area of research, maybe at a time when we need more research in the farm community.

● (1230)

We got a little bit of action on farmers being able to get away from the farm. That, as I say, admits defeat to some extent, but I commend the Government for putting that effort in place. It is a humane approach to an inhumane operation on the part of financial institutions.

I could spend considerably more time on this topic, Mr. Speaker, but you have indicated that my time is almost up. If we had the time it would be interesting to see how the \$225 billion in national debt was put in place. It was not done by the farmers. I know the Hon. Member for Red Deer (Mr. Towers) would back that up. Farmers have contributed very little to the national debt.

The national debt came as a result of corporations not farmers. Yet the farmers are being asked to pay for it along with you and I and every other person in the country.

I would hope that all of this effort by ourselves and by the Government will lead to a more realistic look at what we can do with the deficit, how we can get rid of it and how we can get the economy back on track, making it possible for farmers to survive.

**Mr. Taylor:** Mr. Speaker, I would like to deal with one or two of the points made by the Hon. Member by way of comment and then ask the Hon. Member for Prince Albert (Mr. Hovdebo) a question.

The Hon. Member seemed to indicate that the Progressive Conservative Government Canada is opposed to the family farm. That is completely wrong. There has been no Government in Ottawa that more strongly supports the family farm and realizes the necessity of keeping the family farm.

Second, there has been no Government that has tried to tackle the basic problem, the bottom line, of what is hurting our farmers today. If our farmers could secure a price for their product including the cost of production plus a reasonable profit there would be no need for any hand-outs or subsidies. The difficulty is that farming is the only industry that is unable to get its costs of production plus a reasonable profit.