

the strength of the general principle. I am saying that we should be doing this for the farmers.

As you know, Mr. Speaker, on a world scale, Canada has a mere one half of 1 per cent of world population. Yet we are the stewards of over 3 per cent of the arable land of the world. That imposes an enormous responsibility on us. We are a small population with a great deal of land as compared to the rest of the world. There is no doubt in my mind at all that the plight of Ethiopia is simply the first such plight that has been brought to our attention. Within the next 10 years, Canadians are going to be called upon to produce food and share it with the rest of the world in a way we have never been called upon before. In order to do that, we need the family farm. In order to keep the family farm, we need to abolish capital gains tax on land that is kept in genuine agricultural production.

As we all know, Canada is a huge country. It is composed of 2.3 billion acres. While we have that huge area under our legal and sovereign jurisdiction, only 13 per cent of that land is arable. Of that arable land, only 4 per cent is designated Class I and Class II land. That is further complicated by the fact that over 50 per cent of the Class I land and over 30 per cent of the Class II land lies within 50 miles of the huge metropolitan centres like Vancouver, Edmonton, Winnipeg, Toronto and Montreal, centres which are expanding at an enormous rate. We are giving up truly enormous amounts of good land.

My researcher, Mr. Darryl Pat, dug out the fact that between 1971 and 1976, we lost some 12,460 hectares of prime land each year. That is a very serious statistic. If we impose capital gain taxes on the rest of that land, we will simply draw more and more land out of agricultural production.

You may properly ask why we should exempt farmers from this tax, Mr. Speaker. There are many reasons, but I do not want to take too long as I know other Members wish to stand and put their views before us. Clearly, a basic fact that we must realize is that farmers in this country are not well off. In my area of the country, there are big farms and the farmers are better off than most. When looking at Canada as a whole, though, farmers are not well off. The average income of farmers in 1980 was some \$13,265. The average income for all tax filers in that year was \$18,241. You will realize instantly, Mr. Speaker, that farmers make only 72.7 per cent of the average income of all Canadians. Our income of \$52,000 plus looks pretty generous compared to the income of the farmers who are putting the bread and butter on our tables.

Out of that 72 per cent of the average Canadian income, farmers must provide totally for their own pension. They do not have a salary like you and I, Mr. Speaker, and the taxpayers of the nation are putting extra money aside over and above the \$52,000 they put directly in our pocket so that we will have a pension. Farmers do not have a pension. The land has always been the farmer's pension. Because they like the style of life and are committed to the land, farmers have been prepared to take a much lower income while they are working. However, the land is their pension. When they want to move to town, they sell their land. They buy a little home in town and their sons and daughters carry on with the farm.

### *Capital Gains Tax*

The income of the farmers has become so low that over 58 per cent of farmers or their spouses must work off the farm in order to keep the farm together. The country is put in a fragile position when over 50 per cent of its best farmers must work off the land in order to keep the family together and the farm going.

I would note as well that most of us who live in the cities hold only one job. We do not need to hold two jobs to keep our families together; nor is our major investment, our home, subject to capital gains taxes. All of these big wonderful mansions in which we all live are capital gains tax free. We should expect at least the same type of consideration for the farmer's major investment, the farm.

I have no doubt in my own mind, and I think most Members agree, that capital gains taxes in fact destroy the family farm. I believe that the family farm is critical if we who live in the cities want to continue to have such cheap food. However, I hope that food will become more reasonably priced because it is unreasonably cheap right now.

The family farm is clearly the most efficient kind of farm. You will get a great deal of work out of the man and his wife who have a dream of developing a piece of land and passing it on to their children. They will work 18 or 20 hours a day winter and summer in order to keep that farm together and pass it on to their children. It is also best for the land itself. Huge corporations with professional management groups have employees who are not committed to the land. We will never get the same degree of conservation and preservation from them as we do from the family farmer who walks on his land every day and becomes deeply attached to it. If we destroy the family farm, we in the cities will pay far, far more for food than we pay today.

The Parliamentary Secretary for the Minister of Agriculture (Mr. Blais) may rise and point out that there are roll-overs. It is true that there are roll-overs, but the roll-overs have become a trap because the tax will ultimately have to be paid. Six generations down the line, some descendant might have to pay the taxes for six generations. That will drive virtually all of the land out of production. As well, it blocks the farmer's ability to pass his land as an economic unit on to a son or daughter who wishes to stay on the land, while at the same time remaining fair to the other children who must move off the land and take other jobs. It is absolutely impossible for a farmer to do that because the value of the land has gone way beyond its productive value as a result of inflation. A child inheriting a farm or buying it for its 1971 value simply cannot afford to pay the farm's present fair market value. The farmer cannot afford to transfer it at the 1971 value because he must do justice by his other children. It is a trap. As a result of inflation it is not working, and therefore it must be done away with.

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The third reason is clearly one which a lot of people in the cities do not appreciate, and perhaps I do not appreciate it to its full extent. The reason for the abolition of the capital gains