

Farm Loans

provisions? Why not let one generation pass it on to the next generation without any capital gains tax at all? The government alludes to that in the roll-over provisions. As I have explained to the Minister of Agriculture in earlier speeches, and I am prepared to sit down with him to show him on paper, the roll-over is an amazing trap, that within one generation, or two at most, we will have all of our agricultural land nationalized. Many farmers believe that is the exact role of the government. I rather doubt it is the intention of the Minister of Agriculture, but I can show him that will be the result because the roll-over provision is merely a trap for future generations.

Why does the government not accept the Canadian Cattle-men's Association's suggestions? They are perfectly well thought out and logical. I refer to the income-averaging trust account. The beauty of that vehicle is that it would allow farmers in the good years to put a little bit of money away in a special agricultural fund, perhaps managed by the Farm Credit Corporation, and in the bad years the farmers could then withdraw that money.

If we look at the country as a whole, when there are bad times in the west the east is probably experiencing good times. The eastern farmers would be pouring money into this fund and the western farmers could be taking it out. And vice versa with good times in the west and bad times in the east. A system like that would do more for national unity than anything else.

Farmers would be more than delighted to put their money into this special fund when they retire and be able to get the average income out of it in the future. The way it is now, if a man or a woman sells his or her farmland, the person is not entitled under the budget provision of the government now to buy an income-averaging annuity. Instead, all of the capital gains tax must be brought into income in the year of sale and in future years the person applies for a tax rebate. That is an incredible situation. In short, the government is saying that when you die everything belongs to the government and you can apply for future tax credits in the event you sell. But what happens to the man who sells this year and then dies next year? Is his estate entitled to apply for some sort of tax rebate, or is that money, all of the tax on the capital gain, lost? That question has never been answered. I wonder why the minister does not face that.

We also have the Minister of Agriculture blaming the banks. He waxes eloquent that the banks have led farmers into a trap. The proper response to that again is that government has led people into a trap. Who would have guessed, even the smartest banker or the smartest farmer, that the combination of government policies would drive interest rates up to 21 per cent? Who would have believed that a government would ever have been so stupid as to get people into that kind of a jam? Yet that is what we face in this country. Again, it goes back to governments getting into deficits, those deficits building up and lack of government flexibility. Ultimately governments have to face reality. Even the Liberal government has to realize that you cannot circle around a \$90 billion net debt.

You might as well have started at the beginning and used Keynesian economics around a balanced budget. During bad times, of course, the government would borrow to help out certain sectors. But during good times it is incumbent upon governments to pay those debts back, and out of surplus revenues you get back to a balanced budget.

I have many questions to ask when this bill gets to committee. Other members have elaborated on certain sections. I wish to speak only to Section 16.2(2) which requires farmers to file a plan of operations with the Farm Credit Corporation. I am anxious to question witnesses as to how far an amendment of that plan is possible and how often farmers must report.

I note Section 35 provides that loans will not be granted unless the farm is an economic unit. What is an economic unit? Who will make that decision? What type of ministerial authority will there be as to whether there will be any political repercussions one way or the other? What differences will there be in describing a plan for different provinces? What is an economic unit in Alberta as compared to an economic unit in Ontario? More than anything else, I will be looking for some direction as to what is the remedy in the event a farmer does not honour his plan. Will the government then be just like the banks and call the note? Will there be a clause in the mortgage to provide that if one deviates from the plan the government can foreclose on the mortgage? If so, who will make that decision? There are many uncertainties which I hope the Minister of Agriculture will do something about, because they can lead to the grossest of abuse.

I notice under Section 17.1 and Subsection 19(4) that the statutory amounts will now be set by regulation rather than as before, which was by statute. As the minister himself pointed out, we have made many amendments to this legislation in past years, but I wonder why it is now felt that statutory amounts should be governed by regulation? By doing that we, as Members of Parliament, will be giving up our responsibility to look at that bill and make constructive criticism of it. Instead we will be passing off that responsibility to a bureaucracy. Without doubt, individually bureaucrats are well intentioned. But as a collective group they become subject to a system, rules and regulations producing results exactly opposite to those which anyone would say are common sense and reasonable.

The minister will have to answer why this change to regulation is being proposed. In my opinion, this provision should be left in the statute, in order that we as Members of Parliament, who are elected to review these things and with the obligation to do so, will in fact do so. Again, this change is capable of the grossest political subterfuge.

There will be amendments at report stage, I am sure. There will be amendments at third reading and I look forward to that.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am pleased to speak at this stage on Bill C-88. As the member representing Okanagan North, I might say that farming in our community is perhaps more varied than anywhere else in