

*Economic Conditions*

They had Diefenbaker's example as well as charters from all around the world. Almost all of them included the right to acquire and own property. Why was that provision left out of our package? We are most suspicious of that omission. If we ever get down to that level, we will lose our right and capacity to be self-sufficient in food. We have examples. Russia, at one time, was the world's second largest exporter of grain. Canada was behind Russia. Once they took away those plots of lands from the individuals and put them into state-owned farms, they were no longer self-sufficient. Mexico is another example where a small close-knit group, a kind of aristocracy, ruled the country. Mexico has since entered into a highly centralized planning system. That country, too, has lost its self-sufficiency in food and is an importer of food. Mexico used to export hundreds of thousands of tonnes of sugar. Sugar is now being brought into Mexico from other countries. Having killed off self-sufficiency in oil, I am suspicious that we are now in the process, however innocently it might seem to be, of killing off our self-sufficiency in food. When we reach that point, it will be a very dangerous situation.

A major contributor to it is the capital gains tax. Prior to 1972 we did not have such a thing as a capital gains tax. It was under that fiscal and financial regime that we built up an agricultural infrastructure which was efficient and productive and made this country a large exporter of food.

About 13 per cent of our land has agricultural potential. Only 4 per cent of Canada's land is class 1 or 2. On a global scale, Canada has only 3 per cent of the arable land. In 1972, the government under the present Prime Minister put a tax on this land. There is no doubt that that tax hurts. While there are some rollovers to spouses and to one child who might be farming, or to other children, the inequity occurs when a farmer tries to transfer the farm to children who may be farming, while being mindful of his other children, daughters who have married and moved away or other sons living away as teachers, doctors, even politicians. The situation is absolutely impossible because the land has increased in value so dramatically. Even if the Liberals had honoured their election promise of bringing in a 1974 value, it would have been a substantial help to the farming community. In about 1968 the land was equivalent to the 1974 value. By 1971 land value happened to be in a dip. The tax was brought in then, but the 1974 value reflects a clearer picture. The reality of the 1980 budget is that such a provision was not included. The white paper on capital gains tax, to my reading, clearly says that the government is anticipating not a reduction in capital gains but a substantial increase in capital gains. Whether or not members opposite in their political capacity agree with that, there is no doubt the document prepared by the bureaucrats clearly sets that out as a tone. I am sure knowledgeable people will agree.

There are two principles upon which we should not impose a capital gains tax on our agricultural land. We must remember that we have only 3 per cent of the world's arable lands. It is simply immoral for us to be taxing 3 per cent of the world's

land which produces so much food and which could continue to produce that food if we leave it in the hands of individual dedicated farmers. Soil is like their soul. That situation does not occur with state-owned farms where everyone wants to work only a five-day week. Individually-owned farms will keep the land productive. Within our own country it will retain a way of life. We will maintain efficiency. It will keep the cities on class 5 and 6 land and it will keep bona fide class 1 and 2 agricultural land in agricultural production. It will benefit them greatly.

● (0630)

In summary, I submit that the Liberal party has failed. Somehow it has lost control of this governing group. Whether, as I said earlier, that is the Prime Minister and a small group around him, a small group of advisers, or a level of bureaucracy, I do not know. I certainly hope members opposite will take a very close look at their party and try to get it back.

I submit that in 1979 the Canadian people made a decision when they put in Joe Clark and his government. While that government had a slow start in not calling the House back until October, it made some moves, basically the budget, which got this country on the right track. Clearly, it increased the price of oil. That sent the price signal which should have been sent to the Canadian people in 1973. If it had been done then, in the proper way, we would not now have the problem with self-sufficiency or the problems in the automotive industry. We would be able to beat the Japanese, Germans and others just as we have done in the west with our agricultural products.

During the 1930s we had to cut bait in the west. Three out of four farmers had to leave the land. We learned the hard lesson of having to compete in world markets. Now our agricultural farmers are not afraid of anybody. We can beat them. We have to get back to that as a philosophy in this country. Tariffs do nothing but delay the day of ultimate reckoning because others in the world do not have those tariffs. Therefore, it is only a short time before they beat us.

Every farmer was betrayed in this last budget because there was no capital gains rollover. Home renters were betrayed because promises had been made to them too. The home owners and renters, particularly senior citizens, had been promised a property tax rebate so they could stay in their own homes. That would have been of tremendous help.

A decrease in the deficit was a major help for them. It freed up that sense of individual enterprise so that if a person had a good idea, there was a proper climate in this country for him to get out, organize and bring people in to work. That makes wealth for this country. All that was lost as a result of a grab for power by a small group who really did not deserve to get power. I dare the government to call an election now. I believe the Canadian people are much brighter than the government gives them credit for. The NDP in particular would really suffer in the next election. I wish the government would call it.