

The true philosophy of the government is clearly revealed when we compare the personal and corporate income tax sources of budgetary revenue for the fiscal year ending March 31, 1971, with the expectations for the fiscal year ending March 31, 1973. The budget measure will provide no direct assistance or incentive to many of the labour-intensive and other important sectors of the economy. What has been done for the service industries? Nothing. What has been done for the construction industry? Nothing. What has been done for the farming industry? Nothing. Not only does the budget not provide the farmers with the same accelerated write-off that is given to other production industries, but it does nothing to help them with their other problems.

The budget does nothing to help provide farmers with the capital that is essential to most of our agricultural industry today. Literally nothing was done for the farmers. But worse than that, the policy of the government seems to penalize the farmers. Let me give an illustration, Mr. Speaker. A few years ago the minister and the Department of Agriculture were pleading with western grain farmers to diversify, to get out of wheat and barley. They were telling the farmers that there were markets and demand for other types of crops which would provide the necessary cash for farmers caught in the cost-price squeeze.

• (1600)

Many farmers went into diversified crops such as flax and rapeseed, but then last year the government brought in legislation to amend the Canadian Wheat Board Act which placed flax and rapeseed under the jurisdiction of the Wheat Board. The farmers had not asked for this and had already set up their own marketing and processing arrangements because there was a market in the United States and in other foreign areas for vegetable oil. This particular aspect of diversification has been rather profitable, so why the government insisted on bringing it under the Canadian Wheat Board Act is something I do not understand. The minister in charge of the Wheat Board (Mr. Lang), in reply to criticisms from this side of the House last year and again this year, made a very clear statement on May 11 last year to the effect that there is no intention to bring rapeseed, flaxseed and rye under the control of the Canadian Wheat Board in the near future. A press release from his office reads:

Changes proposed in the Canadian Wheat Board Act would enable the extension of board marketing to these crops, but these sections may never be used and certainly will not be used except after full support of the move is received from producers based on a thorough discussion of the issues.

He went on to say:

The situation is the same with regard to the Prairie Grain Advance Payments Act.

He said that these amendments to the act would not be required unless at some future date these crops were brought under the Canadian Wheat Board Act. The press release concluded with the statement:

I repeat, the government has no immediate plan to change the marketing system for these grains. And I assure producers that before any such change is contemplated there will be thorough discussions with everyone involved.

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Mr. Speaker, the government has now authorized the inclusion of these grains in the Canadian Wheat Board Act without any consultation with farmers, and it has moved to convict farmers who may have oversold the quotas established under the act. There is a case in my constituency of a farmer who was given a 60-acre quota. At 20 bushels per acre that means he should have sold 1,200 bushels of rapeseed. He had a delivery contract with the seed processors in Lethbridge for a greater quantity than that, and in March of this year he was issued an additional 900 bushels delivery authorization. They seized his permit book. It was found that the amount he had sold previously had not been entered and his records did not indicate it, so he shared a truckload with a neighbouring farmer and 388 bushels were delivered to the plant in Lethbridge 200 miles away. It turned out that he had delivered 104 bushels more than the Canadian Wheat Board said he could, in spite of more than 500 bushels remaining under his authorized delivery contract, and now he has been taken to court.

When the minister responsible for the Wheat Board makes a statement in May of one year and contradicts it in May the next year, it completely undermines the confidence of the farmers and the processing industry. This is not just one farmer, Mr. Speaker; 1,400 of them are in the same situation. This is the tragedy of the policies being implemented by the bureaucracy on the other side of the House.

When the Minister of Agriculture (Mr. Olson), the Minister of State from Calgary South and the minister in charge of the Wheat Board attempt to justify their position or to rationalize the budget, they are not dealing with the issues really faced by the Canadian people. What about the fishing industry? There is nothing for that industry. What about the logging industry? There is nothing for it. Since these industries, the service industry, the construction industry, farming, fishing and logging are excluded from the tax and incentive measures, they will be placed in a more difficult position because their relative capacity to compete for available capital will be reduced. This is a discriminatory policy.

Generous corporate income tax cuts do not make firms more profitable or productive because they in no way affect the cost of manufacturing and processing inputs. A realistic budget would gear its policies to consumption rather than production. Perhaps if that were done something would be accomplished as far as eliminating the problem of unemployment is concerned. It seems to me, Mr. Speaker, that we are not dealing with the issue as it should be dealt with.

As an indication of the policy of this government during the last five years, its budgets have placed emphasis on increasing personal income tax and decreasing corporation tax. In 1968-69, 34 per cent of taxes came from personal incomes and 20 per cent from corporations. For 1972-73, 44 per cent will come from personal incomes and 15 per cent from corporations. In my opinion this creates more unemployment and does nothing to solve the problem of inflation. This is the just society that the Prime Minister spoke about four years ago but about which we hear less today.