

*Income Tax Act*

What will happen to farmers within that context? They have usually succeeded their father and have not had the same opportunity as other citizens to get a better education. Those people always managed somehow. They were in the fields before sunrise and came home after sunset, and they worked hard.

As a result of government schemes, those farms were taken over. Farmers are even being told today to have collective farms, to group themselves. In socialist or communist countries they have reached that point; first the farms were taken over now they are gradually reverting to private enterprise.

At the beginning of my remarks, I said that when passing a bill here it should be re-situated in the context of general policy objectives, after which it could be determined whether it does not defeat the purpose of other legislation. If it does, it is not a step forward but a step backward and I feel that enough harm has already been done to farmers as it is.

Instead of passing legislation, granting tax credits for any farmer's children willing to carry on the family business so they may continue to modernize and improve it, we do absolutely nothing.

The government talks of capital gains. This means the farmer will be taxed just like big businesses. They can afford to pay but not the small ones. The government treats on an equal basis the small business, the family farm and the big businesses. It treats them according to the same criteria. So, the small businesses, whether they like it or not, are going to be wiped out by this bill.

I rose recently in the House to acquaint the minister with the views of co-operatives, credit unions and caisses populaires. I said then that these measures would sooner or later bring about the disappearance of these co-operatives. The minister has realized his mistake and tabled some amendments. We were happy about it, but when we read them we noticed that once again people were being made fools of and that nothing had been done. Representations are therefore continuing.

The spokesmen for co-operatives and ourselves use the same language which is that the tax reform before us will entail the gradual phasing out of those institutions and of at least 50, if not 60 per cent of family farms still being operated in Canada.

Mr. Chairman, the farmers are moving into cities and becoming unemployed. We then ask them to undergo retraining courses to momentarily get rid of them, and once these courses end, they find themselves stuffed full with useless diplomas.

Instead of helping the farmer when he operated his farm, when he was independent of government, in order to preserve his independence, to increase his productivity so that he would not depend on social welfare, the government's policies have reduced him to an underprivileged status and he is totally dependent on the state.

I suggest that the rural exodus is the result of the policy of the federal government aiming particularly at ousting the greatest number of farmers with a view to laying hands on their farms, allegedly to promote collective farming which is a socialist inspired principle. We are socializing production; we have socialized lands and we are getting rid of people.

[Mr. Fortin.]

And yet when the farmers were requested to feed the Canadian Armed Forces during the war, they did not boggle and abode by the government's directions and worked.

It is not by discouraging private enterprise and personal initiative that we will make free Canadians independent from public administration.

For instance, we might just wonder, in connection with the distribution of the tax burden, what will be done with all the taxes collected under this voluminous bill. If you try to know where our tax money goes by leafing through the publication issued by the President of the Treasury Board (Mr. Drury) you find that 25 per cent of this money goes to social projects.

In other words, this money is not used to increase productivity or the purchasing power but simply to keep them in poverty. At the same time, 14 per cent is earmarked for economic expansion and 14 per cent for servicing the public debt.

Mr. Chairman, the government's basic concepts are wrong. Under these concepts, the government is increasingly downgrading the farmers as masters of their free enterprise by stifling them under taxes so as to turn them into unemployed or into poor city dwellers. Thus, unemployment and poverty continue to increase in a country bursting with wealth.

If the government is aware of the problem, let it choose the solution aimed at encouraging young people to maintain the family farm, to improve, modernize and restore it if necessary. Let it provide them with incentives, not of mere enrolment in all kinds of social measures, but of assistance through measures such as tax credits for a number of years, as it does for private enterprise.

When with great fanfare an industry establishes in a given area and creates jobs there, the government says: For a number of years, you will be exempt from taxation, or your tax burden will be eased to some extent or else, you will be given this or that land. But in the case of farmers, the government does things in a completely different way. Since it is dealing with little people, it must crush them; it is easier and it does not show much.

However, people are becoming aware of things much more than we think. The time has come to take our responsibilities in this respect. Why not help small businesses? Why not help the individual who tries to get by, to own his land, to grow, to be himself, instead of only a number in the Unemployment Insurance Administration? Why not adopt concrete measures such as tax cuts for the young man who wants to continue to operate the family farm, or else, help him reimburse a farm loan that makes it impossible for him to make ends meet, because the government has adopted an income control policy? If on the one hand the government has taken steps to control income through its quota policies, and on the other hand it controls capital gains by subjecting them to a 50 per cent tax, whether in the case of a small business or a large corporation, it is clear in my mind, as it is in those of most of my constituents in Lotbinière, that this will soon result in the disappearance of most small businesses.

As the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) is here tonight, I take this opportunity to ask him to explain the thought behind this legis-