

*Income Tax Act*

who are not incorporated. The size of a farm really has nothing to do with whether or not a farmer is incorporated.

There was also the question of whether or not this funding should be available for investments which are not new capital requirement, and whether or not the inventories or the equity which a farmer has in his property could provide the basis for a loan. I would like the government to look at these important issues with regard to the small businessmen and farmers throughout the country.

Another topic which was mentioned several days ago dealt with spouses. I find that the area of allowances paid to spouses of small business operators or farmers is surrounded by a lack of information at the local level, and the financial people involved at that level really do not know what should be done. The question arises of whether or not there is a retroactive capacity within the law for the small businessmen or farmers, who would normally have taken advantage of this program but who did not because they did not have access to the information.

I also made mention of the fact that I was pleased to be among the many members on this side of the House who supported the previous minister of finance in his efforts to extend the deductions which are allowable to firemen. I am pleased to see that this matter was dealt with in the present legislation. Finally, we mentioned the grants for conversion from oil to other forms of home heating. The question arose at that time as well as to whether or not the taxable nature of these grants would inhibit the full utilization of the program. The taxable nature of the grant would determine the incentive for people to get into the government's off-oil program. We would like to have this matter reconsidered with the idea of making the grant non-taxable.

I would now like to deal with areas which were not included in the legislation. There is the question of tax credits for energy. I raise this matter, not because we as a government were looking at the issue but because there is a social need which is increasing daily as energy prices rise. If the government had been successful in maintaining significantly lower energy prices, there would be a justifiable argument for not introducing a tax credit. But with gasoline having risen by approximately 30 cents per gallon to date, which is roughly the rise proposed under my government's energy package, the need grows day by day for some action for people who are on low incomes and fixed incomes to have some relief from higher energy prices.

Another exclusion from the legislation is capital gains tax provisions. The government suggested in its elective campaign promises that it would introduce provisions for capital gains tax relief, particularly on behalf of farmers. A white paper on this particular issue was brought forward, but it did not even mention farmers. Indeed, farmers were almost totally neglected in the budget. This matter must be addressed quickly because of its economic impact on farmers today. This situation is having a great effect on the young people who are trying to take up farming and are finding it increasingly difficult and, as a result, they are abandoning their efforts.

Consequently, we end up with very large corporate farms or a low productivity level on the farm land which is currently available.

The Minister of Agriculture has been questioned in the House on several occasions as to whether or not relief would be provided to farmers, for example through lower interest rates or increased funding to the Farm Credit Corporation. The minister has suggested that such programs would not be equitable to provide relief to the farm community, because the farm community is not that badly off now, and that it would be inequitable to propose such a program for the farmers and not for other segments of our economy. This indicates a lack of understanding by the minister of the real point. The point is that farmers in different provinces who are receiving assistance from the provincial governments through a number of federal subsidization programs are being assisted in an inequitable way. There is no co-ordination of these programs. While the farmers are receiving assistance, it is not at the level which will allow them to survive.

The Ontario government recently carried out a study into the future of the family farm in Ontario, which was released several days ago. I would like to quote from the *London Free Press* an article which describes that study.

It found that while the low rate of return on investment and low net earnings are considered by many to be the main deterrents to young persons wanting to farm, more young people than ever before are beginning to farm and there is a general feeling of optimism about the future.

What I have just quoted brings us to the point which I wanted to make through the article, which reads:

And, it says, a tax credit similar to the home ownership credit program to help them should be contemplated.

This is the kind of assistance these young farmers need in order to survive. It costs in the neighbourhood of \$300,000 for a young farmer to establish himself today.

One topic which often comes up in such a debate is the question of the assistance the provinces are providing to the different segments of the economy. The established program funding and the co-operation and co-ordination of the programs of the federal government and of the provincial governments are very much in the limelight today and seem to be gaining increasingly in importance. The question also arises of the level at which the federal government will maintain its funding to such programs, and whether or not there will be continued assistance to all provinces, particularly the so-called have-not provinces. This question has arisen with regard to the areas of health funding and university funding.

An hon. member earlier today pointed out that if the government continues with its current plan, it is very likely that university funding will be cut to the point where some of the universities in his area of Atlantic Canada would be forced to close their doors. The same situation holds true in the area of funding for health care. The provinces are caught in a situation where they are not able to provide the necessary funding to maintain the services because of the cutbacks in government funding. Clearly, the provinces that are able to provide this funding should assist where possible, but the