

Another recommendation the committee made was as to "the state and incidence of rural taxation". It was felt that the committee should retain a research team, or teams, to assemble data, make a comprehensive study and report to the committee. The steering committee felt that we should make a study of taxation in rural areas—taxation on woodlots, on lands adjacent to large cities, and so on—and ascertain the effect it has on the agricultural income of the different areas.

If we tackle such a program this session I believe that we will be doing a great service to the country and to farmers in particular, because our study will be concerned with taxation on lands and forests. In some areas it has become very difficult to keep up the net income of the farm because of the taxation for education alone. For that reason I believe a study of this situation could be very effectively done by the special committee at this time.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, having been a member of that committee for several years, I am pleased to support the motion of the Leader of the Government to reconvene the Land Use Committee. But at this time, I am more particularly thinking about the farmers in eastern Canada, and I mean those from Quebec city to the Gaspé peninsula, as well as those in the Maritimes. I heard industrialists, workers, wage earners and even white collar workers often say that farmers in that area were paying very little if any income tax. But how can a farmer whose income does not exceed \$1,200 per year pay income tax and support his wife and children?

In my opinion, the issue now is whether we will find ways to develop our inadequately used lands, and our farms that are too small. We realize that formerly the first settlers in our country settled in the eastern provinces. However, what can be done in this day and age with 80- and 100-acre farms? On the other hand, the western farmers who came in later, are now capable of purchasing a better farm because they have modern production equipment, they rely on mechanization, and their equipment enables them to obtain substantial crops.

I must say that I am very happy that the western farmers enjoy such a favourable situation, and I am not at all envious, nor jealous of them. But, when their crops are too big and their production cannot be marketed, the Government makes advance payments to them. On the other hand, when the crops are very bad, the Government gives them a certain amount. When the season is

too short and snow falls on the unharvested crops, the Government again has subsidies for them.

As for eastern farmers, whether they have a good or a bad crop, they get absolutely nothing from the government, and they have to live just the same.

However, there are many places in the eastern regions, where farms could be developed and transformed so as to grow something else than fodder plants for the dairy industry which seems to be the main industry in the east.

The Minister of Agriculture just told the eastern farmers, because it concerns them especially: "If you cannot limit your dairy production, we shall have to cut down the subsidies". I wonder what will be left to them because they will have to change their methods and, as the senator for Carleton (Hon. M. O'Leary) said, it is impossible to transform the whole nation's economy in a jiffy, in one year. In order to do so, we must get the counsel of qualified people, theorists as well as experts, so that we can examine the situation thoroughly.

I wonder whether it would not be in order to add to the motion we have before us at the present time a paragraph stating that the committee would have the right to direct some of its members to undertake field studies of certain problems, in co-operation with federal and provincial authorities, and especially with those who are in need. The needy often find answers of which we would never have thought.

When I visit the eastern provinces, and see what our ancestors have done for the country, and then cross the fertile western plains, I feel anguished for a moment, as I ask myself what will become tomorrow of that part of the country, our home, which was opened first. If things continue as they are now, I fear that a book written at some future date, might well bear the title: "The Dying Land."

However, if we are willing to recognize the extent of the problem and, with those who are immediately concerned, work towards its solution, we will surely find a means of rehabilitating our farmland by making it as fertile and beautiful as in years gone by.

Industrial markets should be set up where farmers could sell their products. Everyone knows that grain is being produced in western Canada. At first an industry related to grain production was developed, that of cattle breeding. Packing houses were built near those production centres. Grain is being used to feed cattle sold on the overseas market. Everyone knows that westerners have a better standard of living than easterners; why make a secret of it? In the east, mainly in the province of