

Oral Questions

in the paper that morning. This was the first connection the cabinet communications committee had with it.

The hon. member then asked a number of other questions which are hard for me to remember. However, he asked why this had not gone through the AMG. Many ads are placed by departments directly. There is a vast number of ads dealing with such matters as recruiting, tenders, and various other subjects.

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[Translation]

IMPACT ON EXPANSION OF SMALL BUSINESS

Mr. Pierre Gimaiel (Lac-Saint-Jean): Madam Speaker, my question is directed to the Minister responsible for Small Businesses and Tourism. On the subject of the small business development bond program, a measure that was greatly appreciated by Canadian businessmen during the past year, could the minister tell us, following the budget that has just been brought down and for the benefit of Canadians, especially Canadian businessmen, and for the benefit of the official opposition which seems to have trouble understanding our new budget, could the minister tell us what impact the new budget will have on this measure?

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, I am happy to inform or rather to reconfirm to the House and especially to Canadian businessmen and women that the small business development bond program has been extended for one year, in fact requested by most members and the majority of associations representing small businesses in this country. In addition, Madam Speaker, the program has been extended to all unincorporated businesses. I remember that many members and especially the member for Kamloops-Shuswap (Mr. Riis) repeatedly asked to have the measure extended to unincorporated businesses. Its application has been restricted to businesses in financial difficulty, because that was the original objective of the program which was aimed at giving assistance to those needing it most.

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[English]

EFFECT ON RETIREMENT INCOME OF FARMERS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the Minister of Finance, and it concerns the elimination of annuities for retiring farmers. As the minister knows, when many farmers sell their farms they do not have pensions, and they live off annuities as a form of retirement income.

Let me refer, for example, to the real case of one farmer with three quarter-sections of land. The figures I have, which have been worked out by a Saskatchewan accounting firm, show that if this farmer sold his three quarter-sections of land, under the old rules his taxes would have been \$5,000, and under the new rules, after the budget, they will be \$72,000.

I would like to ask the minister how he can justify the increase of tax in the year of sale from \$5,000 before his budget to \$72,000 after his budget. Is this not blatant discrimination against the small farmer?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not think there is anything in the budget which would justify those numbers. If the hon. member would give me the details of the case, I will have them examined in detail and remove, I trust, some of his apprehensions.

The purpose of most of the provisions in the budget is to avoid a deferral of tax for certain taxpayers when such a deferral cannot be enjoyed by the vast majority of taxpayers or tax filers in our system. There have been many transactions up to the present time in which in some cases indefinite deferrals of taxes have been permitted, and those deferrals have not been available to the vast majority of taxpayers who depend on employment income. It is in order to remove these inequities that certain changes have been made so that all taxpayers will be contributing in a similar way. There is absolutely no effort to discriminate against any particular class of taxpayer, but it is impossible for me to judge a particular case, and I will want to get more information.

REQUEST FOR EXEMPTION FOR CERTAIN FARMERS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, since most farmers do not have pension plans but rely on the sale of their farms for retirement income, I wonder if the minister might consider a basic exemption for farmers who are in that category—and, indeed, small businessmen—because not only do they lose immensely on taxes in the year of the sale but, according to the accounting firm, a small farmer with three quarters of a section of land would find himself in the years after a sale losing about \$6,000 of income annually. Would the minister consider an exemption for farmers who are in that kind of situation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the purpose of the changes which have been included in the budget has been to establish a broad sense of equity in the tax system so that individuals in receipt of investment income or capital gains will be treated on a reasonable basis with taxpayers receiving their incomes from employment. The broad thrust is equity. It is not to add to inequity which may exist in the tax system. For that reason I would be pleased to consider any suggestion that would enhance the equity I am attempting to create within the tax system.