

Canada, and particularly in the riding of Lotbinière where there is a strong rural population, two, three or sometimes four generations have lived from the income of the same farm. The farmer ran his farm as he pleased independently of agricultural policies. In any event, policies then did not particularly concern farmers.

• (8:10 p.m.)

And one day governments through their more and more complex political objectives adopted measures tending to industrialize and organize the farms and make them more efficient. People said then that it was the "efficiency folly" or "the great period of agricultural revolution from the point of view of profit", and I am one of those who said so. The Federal and Provincial governments therefore said to the Eastern and Western farmers: "What you were doing yesterday is no longer any good; today, you must improve your land, your herd, your farm machinery, otherwise you will starve."

Farmers who have never hindered progress, fell into step, although they could not afford it. It is then that the government decided to grant loans to agriculture, in order to help farmers to modernize their farms, to get into debt, which they did. They ran into debt, and the government then started to take over the farms, because immediately after having told the farmer: Modernize your operation, improve your methods, we will give you financial means to do that through farm loans, it also said: Now, we shall control the production; the days when anybody could produce anything are over. Thus, the policy of wheat, milk and egg quotas was born. Then the farmers found that their income was systematically controlled by the state. The latter started with financial control of the individual, control of the land through mortgages, and now, control of the farmer's income which the state freezes at will.

If a producer produces more than the permissible quota, not only will he not receive a salary, but he will be taxed. Such is the present policy. The government, after having taken over the farms and control of the farmer's income, taxes their meagre profits. And this, not equitably, for if it were done equitably we could not but congratulate the government.

On reading section 28, for instance, one realizes to what lengths the government intends to go to control the farmers, to own them, to socialize them. That is why I said at the onset that I did not share the spirit and the aims of the tax reform because of its aims.

Let me quote you only one example of the administrative follies we are witnessing. On page 85, clause 29 reads as follows:

Disposition of animal of basic herd class

29. (1) Where a taxpayer has a basic herd of a class of animals and disposes of an animal of that class in the course of carrying on a farming business in a taxation year, if the taxpayer so elects in his return of income under this Part for the year the following rules apply:

Thus the bill says that in order to comply with the will of the government, and I quote:

(a) there shall be deducted in computing—

—if somebody understands that, I would like him to let me know, because I have been studying that text for at least

three days. I talked to some people and I have been told that no farmer will be able to make it. I feel sure of that because no one where this is taking us.

I quote again:

(a) there shall be deducted in computing his basic herd of that class at the end of the year such number as is designated by him in his election, not exceeding the least of—

And that to find out the tax which the individual will pay on his capital gains, on what he will sell. That is interesting. The quotation goes on:

(i) the number of animals of that class so disposed of by him in the year,

(ii) 1/10 of his basic herd of that class on December 31, 1971, and

(iii) his basic herd of that class of animal at the end of the immediately preceding taxation year; and

(b) there shall be deducted in computing his income from the farming business for the taxation year the product obtained when

That is fantastic. I quote further:

(i) the number determined under paragraph (a) in respect of his basic herd of that class for the year  
is multiplied by

(ii) the quotient obtained when the fair market value on December 31, 1971 of his animals of that class on that day is divided by the number of his animals of that class on that day.

Once this bill is adopted—if that is the intention of the government wishes so—I wonder in what kind of mess the farmers will have to manage their business since their farm is now considered as a business.

Everything has a limit. Farmers have gradually lost ownership of their farm owing to government socialization programs. The farmers' revenue is controlled by the government which wishes to make the management of a farm so complicated that farmers will have no choice but to give up business and get into a simpler field.

Several of my colleagues may not believe it, but I heard the previous speaker this afternoon mention that only 7.7 per cent of Canadian workers were farmers and that only 4 per cent among them enjoyed a minimum level of subsistence.

It is tragic. It so happens that a strict minimum of farmers feed 22 million Canadians and that instead of taking steps to help them, they are discouraged.

This means that a farmer with 30 heads of cattle, for example, is compelled to keep complex accounts for each head. I refer my colleagues to section 28 and the following to show how ridiculous and complicated it is, yet for the sole purpose of collecting a little more taxes from those who are penniless.

The Minister of Finance (Mr. Benson) was boasting recently that 750,000 Canadians will be removed from the taxation rolls under the tax reform. In all honesty, Mr. Chairman, this is not something that we can brag about, because 750,000 Canadians are no longer paying taxes it is due to the fact that they are in need of money. If their income is inadequate, it is because they are below the poverty line.

If we are aware that the basic exemptions suggested are \$1,500 for single people and \$2,850 for married ones, and that 750,000 Canadians will not pay taxes, this means that many married or single people are living in extreme poverty.