

Income Tax Act

Mr. Korchinski: Not only do I wish him well; I hope he can understand that there are other points of view in this committee. Be that as it may, I was glad to hear the hon. member, freshly arrived here as a representative of a farming area, point out that farming communities are not entirely enamoured on the capital gains philosophy, a philosophy that his party has been espousing for a good many years. I am one who thinks that certain industries in this country are not quite ready to enjoy the luxury of paying a capital gains tax. I do not think the government can say that the country has reached that great a level of prosperity which would enable all segments of society to pay a capital gains tax, come hell or high water.

The government's policies seem to make little sense. On the one hand, it slaps on a tax which is restrictive and which will increase the costs of certain business operations and, on the other hand, it turns around and, with good intentions, attempts to pass legislation designed to assist certain industries. There is a conflict here, just as when the Minister of National Health and Welfare, on the one hand, tells us to quit smoking and the Department of Agriculture, on the other hand, provides grants for the improvement of tobacco strains. That is exactly how confusing government policies are today. On the one hand, the Minister of Finance slaps on a capital gains tax and, on the other, the Minister of Agriculture works well into the night trying to develop policies to help agriculture. The minister responsible for the Wheat Board may also be working on policies that are intended to improve Canadian agriculture.

It seems to me that these policies make little sense at this time. The government is trying to rationalize its position while at the same time slapping on taxes wholesale that will affect the agriculture industry. Why is it taxing agriculture on the one hand when, on the other hand, we must spend millions of dollars in trying to bail out that industry? It seems to me that not much revenue is to be garnered from a capital gains tax applying to agriculture. Think of the confusion that these policies create. It is certain that the industry will suffer. For years to come, every dealer in agricultural products and farm machinery will be confused. He will not know how the capital gains tax will affect him and will wonder about his position. You can rest assured, Mr. Chairman, that the farmer will not benefit in all this. First of all, the dealers are already in trouble. If they were not, one could say that they could bear the brunt of the capital gains tax. However, they are not in that position. One need only note how many dealers have gone out of business, have lost their shirts, so to speak, to see that I am correct in what I say.

The capital gains tax will be in the minds of farmers and dealers when they get together. You can almost hear the farmer saying to the dealer, "Before we make a deal, let us figure out exactly how the capital gains tax will operate. Let us see what the situation will be with regard to this deal." I think every dealer will be confused, and the farmers will not be any better off. I wish the department would set up some sort of zenith number which people could call to determine exactly their position with regard to capital gains taxes or other federal taxes. It would be of great help if the dealer and the farmer, when sitting down to make a deal, knew they could call some sort of zenith number, for example, and ask the department what the

tax position with regard to the deal will be. The Department of National Revenue will rake in many millions of dollars. Surely, it could provide some free service of that type.

It should not be necessary for farmers to consult lawyers, because the lawyers will want to argue with other lawyers who adopt an opposite viewpoint. Surely, it should not be necessary for farmers to resolve these problems by going to court. Must they resolve their differences this way? Is there no obligation on the department to help?

The Deputy Chairman: Order, please. It being one o'clock, I do now leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

The Deputy Chairman: Order, please. When the committee rose at one o'clock, the hon. member for Mackenzie had the floor.

Mr. Korchinski: Mr. Chairman, a few minutes ago a member of the government side uttered a comment about where all my friends were. I can only say that anyone who can get the Prime Minister to listen to him—

Mr. Trudeau: I am not going to listen to you. I am just here.

Mr. Korchinski: —has at least 95 per cent of the Liberal party listening to him. Therefore, it does not really matter how many are here on my side. What is really important is that the message gets through to the Prime Minister. Yesterday the right hon. member for Prince Albert invited the Prime Minister to attend some of the important sessions of the House for a change. I am glad that the Prime Minister gave up the handshaking, kissing and glad-handing in Toronto to attend a session of the House of Commons. This is a rare occasion. It is evident that the Prime Minister takes this matter seriously. Never before have we seen the Prime Minister pay so much attention as he is paying to this question of closure. He is wondering how it is going to affect everyone here. He is beginning to worry about it. I am glad to see him here because, for once, he has been able to hear the message, as it was expressed a few minutes ago by the hon. member for Assiniboia.

I want to be able to speak to the Prime Minister. I would not even dare to try to get an appointment with him. There is no way you can get through to him on the question of the capital gains tax as it affects farms. Over the years he has uttered a few expressions which indicate that he could not care less what happens to the diminishing number of farms. In his speech, the hon. member for Crowfoot referred to an occasion in western Canada when the Prime Minister said "Why should I sell your wheat?" That statement reflects the attitude he has toward farming. However, there is hope at this time. It is a kind of deathbed repentance; I can feel it coming. All of a sudden, the Prime Minister is realizing that there is another