

Business of Supply

Having supported these resolutions adopted by the Canadian Federation of Agriculture, I would like to take this opportunity to expand my arguments on the former resolution. The intergenerational transfer of farmland from an individual farmer to his children, and the inequitable tax laws which apply to that, has been a source of ire to farmers for many years. No doubt the Minister of Finance is aware of this difficulty as representations have been made in the past on this vital issue. The minister's predecessor was called upon to deal with this problem on several occasions, and on each of those occasions he was successful in frustrating the legitimate aspirations of farmers and the farm community.

While admitting that this is, indeed, a complex problem, particularly because what is required is an extension of the roll-over provision to family farm partnerships and corporations, I do not think it is quite as complex as the department would have us believe. The position has always been, simply, that nothing can be done as the issue is too complex to be solved by government, and that the loss of treasury money would be too great because the same provisions would then have to be granted to the small business community. I cannot accept such a negative explanation. While I am not of the opinion that it would be harmful to extend the roll-over provision to family businesses other than farming, I do not believe it is necessary to deal with the two as if they were identical cases when in fact they are not.

However, let us examine the problem from the farmer's point of view. That view is substantially the same as it was on February 18, 1975, when the hon. member for Qu'Appelle-Moose Mountain spoke so eloquently and so accurately about the plight of the farm wife and her outrage at income tax time. It is well known that because of the shortage of available labour farmers often cannot secure people to work on their farms. With equipment as expensive as it is, the only way they can keep things going is to find a responsible person to look after that equipment, and that responsible person is inevitably the farm wife. The wife may spend long hours driving a truck, running a tractor, operating a grain loader, running combines, loading bins, planting crops, milking cows, and quite often keeping books—and for this the wife is unable to collect wages and the farmer can make no claim for this on his income tax.

The only way that women or children who work on family farms can be entitled to payment is if they incorporate. If this is done, they pay lower taxes on the first \$100,000 and pay their legitimate labour fees on the farm, but there is a catch in that because if they pass the farm on to the next generation, they then lose the tax-free provision in that section. It is grossly unfair and particularly insensitive of this government not to allow these people to have the advantages of incorporation without penalizing them by taking away the advantage of being able to pass the farm on to the next generation.

I am pretty certain that my time has expired, and I appreciate that. I have a number of other items to cover, but I am certain I can utilize the budget debate to do so. I would not want to jeopardize my hon. colleagues and, in fairness, hon. members opposite.

Some hon. Members: Hear, hear!

[Mr. Wise.]

Mr. Peters: Mr. Chairman, I welcome the opportunity which has been afforded to us today by the hon. member for Elgin in bringing forward the subjects covered under the agricultural estimates. I have kept in touch with events in my area and programs affecting the milk industry and I know that dairy farmers, like all Canadian farmers, favour a marketing system which will be conducive to stability of production.

● (1610)

Farmers like to think of themselves as free enterprisers, whether they are engaged in the field of beef, pork or egg production, the production of broilers or the production of milk and products related to it. When things are going well, they like to think of themselves as free enterprisers. When things do not go so well, they behave like other businessmen and turn to the government for help. Then they do not behave as free enterprisers but as producers afflicted with difficulties over which they have no control. This was true in the case of butter producers. Acting paternalistically, the government tried to solve the difficulty by establishing a floor price and bringing in surplus production at the floor price. But that did not satisfy producers because the price seldom went above the floor price. What was envisaged as the minimum price too often became the maximum price. For many years the government bought surplus dairy products and accumulated large stocks. This has happened in other areas of farm production. It has happened with regard to cereal grains and other commodities not covered by the stabilization legislation.

Over the years we have tried to give the agricultural producer the sort of security which is given to the industrial worker by a guaranteed or minimum wage. We set up the Canadian Dairy Commission which was to oversee matters of marketing and production and match production to national requirements. A number of provincial agencies entered the field as well. I have followed with interest the discussions in the last few weeks taking place in the agricultural committee between the representatives of various provincial marketing agencies and the minister and his officials. The provincial people put forward the provincial point of view and the minister and his officials tried to justify the marketing system which has been established. Mr. Chairman, the system has not worked, for reasons outlined by the hon. member for Elgin. Under our system we tried to meet national requirements. Unfortunately, we more than met them. The farming community over-reacted to demand and, using capital available from both federal and provincial sources, overproduced. Unfortunately, estimates of total milk demand in Canada proved to be excessive and producers were forced to reduce production. The result was disaster, as many young farmers can testify.

The hon. member for Elgin raised another point. Was the minister's decision that there was global demand in this country for 100 million cwt of milk based on the opinion of experts? Did he really have the benefit of expert opinion, or of an opinion which would allow him legitimately to arrive at that figure? Further, was that the proper figure to consider? Not long ago I talked to a prominent milk producer who, as representative of his local milk committee, discussed the minister's program with several hundred