

*Income Tax Act and Estate Tax Act*

misled in some way into thinking they were actually getting an exemption of \$50,000. The tax on the remainder is increased to a point where an estate worth \$300,000 will be taxed to the extent of 50 per cent of the value. Such a tax in practical terms means confiscation of half the assets of the estate. Since very few heirs can finance such a tax and a farming operation as well, especially if there are brothers and sisters who want immediate cash for their share of the estate, the family farm is in danger. Farmers and farm leaders across the nation are very upset about this situation. The ultimate effect may be the wiping out of the family farm. The immediate effect could be the wiping out of the incentive to build up a family estate since, in the long run, it cannot be kept in the family anyway and nobody really wants to labour into his old age for the benefit of the tax collector.

One of the farmers who communicated with me had this to say:

I believe in keeping the family farm in existence. In my opinion the corporate farms, especially when financed by huge feed companies, oil companies, and other such giants are the ones which should be taxed a greater percentage as these will surely destroy the family farms.

These are the organizations which will be taxed less under this proposal. They were taxed to the extent of 54 per cent and will now be taxed to the extent of 50 per cent. This farmer goes on to state:

If farms are kept at a reasonable size more people could earn a living at it and prices might be more favourable. I would like to see governments encourage small operators, not force them to quit, so that they can join the already unemployed.

• (5:20 p.m.)

He goes on to say:

If the present trend continues in regard to larger and larger farms, it will mean more unemployed, more housing problems, more ghost towns. What will become of places which depend on the local farmers for existence? Bonnyville, with a population of over 2,000, is an example—

That is a town in my riding.

—of a town depending on local farmers. There is no industry other than farming to keep this town going. Where would all these people go if there were only a few farmers farming the whole municipal district?

The family farm should be preserved. It is the foundation of Canadian agriculture. It is one of the essential components of Canadian society, and it could surely be destroyed in one short generation if this new tax went unchallenged. I would like to quote from another letter I received from a farmer in the

riding. He expresses opinions which summarize pretty well most of the communications I have received. He says:

I am writing to inform you of my strong disapproval of your proposed new Estate Tax Act as it applies to the smaller estates, and farms in particular—

The farms in our area operate as economic units largely because of the good management practices of the owners. If land, cattle or other assets had to be sacrificed in order to pay high estate taxes, the result could mean the dispersal of the entire estate. I consider this to be unfair, especially when the majority of heirs will have spent a good part of their lives helping their father (or mother) to operate and build up the family farm.

The hon. member for Provencher (Mr. Smerchanski) last night said that under this new proposal even less tax will be paid if proper planning is used. I think this farmer was able to forecast that statement, because he went on to say:

If the owner could be assured of living to a specified age, he or she could make arrangements for the disposal of the farm to the heirs, but as is all too often the case, he or she can die suddenly while still owner. The heirs can then be left with the necessity of having to forfeit the greater part of the source of livelihood in order to pay this estate tax.

All too often the purchasers of these bargains are "big business" operations. I feel that this new tax will eliminate the family farm as a way of life for those of us who take pride in being independent and self-supporting. There are already too many cogs in the wheels of labour whose only incentive to work is to get a chance at drawing an unemployment cheque. We are people and individuals, not just statistics punched out on a computer card.

This fairly adequately summarizes the feelings in my constituency and, I think it is fair to say, those in all the west and possibly the east as well. I see this tax proposal as simply another step by the government to erode the freedom of the individual. This government seems to be obsessed with compulsion. Its history since 1963 has been to bring in a compulsory pension plan, compulsory medicare and a Criminal Code bill which includes so many clauses, so many different subjects, that it is impossible to feel that you have the freedom to discuss each one and vote on it individually according to your desires.

Having listened to some government members who have spoken on this bill, it seems that what used to be considered a good trait or reasonable trait is now something of which to be ashamed. I am talking about personal ambition and initiative to build up an estate. I do not think it is a shameful thing for a farmer or any businessman to want to build up an estate and provide security for