

Income Tax Act

farm and to slow down the drift from rural to urban communities, a drift which is having such a deleterious effect on the quality of Canadian life.

Rather than encouraging that process, let the government introduce legislation the aim of which, as opposed to the aim of the grain stabilization bill, of the Lift program and of the farm marketing bill, is to encourage farmers to stay on the land. Let them take a policy initiative that will encourage farmers to stay on the land, and encourage the preservation of rural values which to a large extent have been destroyed by the rapid and disastrous depopulation of our rural communities.

Mr. Korchinski: Mr. Chairman, may I call it six o'clock?

The Deputy Chairman: Is that agreed?

Some hon. Members: Agreed.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Korchinski: Mr. Chairman, this afternoon the hon. member for Edmonton West moved an amendment which was of primary concern to farming areas throughout Canada. I will not be revealing any secret to the House when I say that many farm communities in Canada have been fighting a losing battle under the present administration. Under the circumstances, it is difficult to understand why at this time another tax is being loaded onto the backs of our farmers. Any explanations we have had from the government have attempted to prove that what is being done is necessarily good for the farm communities.

This afternoon the parliamentary secretary stated that the taxes collected will be in the order of \$50 million from corporations, and \$80 million from individuals. He can correct me if I am wrong on this. The tax burden will not be on the corporations, as the members of the New Democratic Party claim. This money will come from small businessmen, enterprisers and struggling individuals. These people have been paying the bulk of the taxes up until this time.

In a young country like Canada I fail to see why it is necessary to burden everyone with a capital gains tax. A capital gains tax sounds very nice. However, we must realize that the burden will be on the individual. I do not think we are so smug to suggest that we have all the money we need, that we should not have savings or that no one in this country should make money. It will be a sorry day for this country if efforts are bent upon finding loopholes whereby people will avoid paying taxes. This, surely, will not build a better Canada. I know the NDP philosophy inside out. I was born into it; I lived it.

Mr. Gleave: Did you go to school, or something?

Mr. Korchinski: The hon. member asked if I went to school. I heard the philosophy inside out. It is falling out of my ears. It will fall out of the hon. member's ears also. I do not know whether he realizes it, but it will affect his

[Mr. Dinsdale.]

farm and his neighbour's farm. I do not care if it affects the hon. member's farm, but I am concerned about his neighbour. In reply to the member's question, yes, I did go to school. I have heard the comments of the leader of the New Democratic Party.

An hon. Member: Socialism!

Mr. Korchinski: You can call it socialism or anything you like. For the sake of \$130 million, I wonder whether this country needs the NDP philosophy. I want to differentiate between capital gains that are speculative and those earned by inflation, general increases in prices. There is not very much wrong with taxing an individual who makes money by speculating. I do not argue with that. However, I do have one argument. I am talking about the farmer who made his child pick rocks and roots, and the businessman who struggled to put his child behind the counter. These people kept their children home from school in order to build a viable unit. Suddenly, for the sake of a philosophy that has been continuously pushed by the New Democratic Party, we have to swallow a philosophy of a group of people who do not amount to a hill of beans.

Some hon. Members: Hear, hear!

An hon. Member: Slave labour.

Mr. Korchinski: It is slave labour. Capital gains are earned through slave labour. This bill does not suggest that a child will receive a minimum of \$1.75, \$2 an hour or whatever it may be. All the bill says is: You have it, and you must give it to us. This is the philosophy of capital gains. I do not mind the speculator being taxed. I want to differentiate from real and imaginary capital gains. Imaginary capital gains are inflation. Inflation increases prices.

It was interesting to listen to some of the speeches of the NDP. When the hon. member for Edmonton West moved a motion, they disagreed with it. Did they move a subamendment? No. They were afraid to do that. They wanted to put us in a position where it would appear that they wanted to do more for the farmer than the farmers of this party. They do not want to put their words into action. They do not want an amendment for only one reason—it defies their philosophy.

• (8:10 p.m.)

How can a leader who has always worked on behalf of labour tell me he is working on behalf of farmers? Does he realize for one moment what it is like to have to spend all your money, nothing brushed off, breaking stones, as my seatmate mentioned this afternoon? Does he realize that every bit of ditching meant a capital gain on the land? If you work hard to leave something for posterity, then one day they want it. It does not matter to them that every time you did that your assessment went up on your land and you paid your taxes accordingly.

Oh yes, they say, "If you don't pay it, somebody else will." Let me tell the leader of the NDP that the farmers who went out to work and made improvements on their land paid taxes to the municipalities for roads and other improvements that the men who are sitting as labour representatives now enjoy. They pay income tax, but so