

*Income Tax Act*

could live and raise a family. You cannot do that in the Montreal streets where the air is polluted by carbon monoxide from cars.

I submit that our provincial governments, with the assistance of the federal government, of the municipalities and of public bodies, should establish a program to spend money as it is done in the big cities to facilitate their return to the land for those interested in doing so. I am confident that these chicken coops will be emptied, that we will resettle the land particularly in Quebec which I am most concerned about.

We shall have helped humanity in connection with social, economic and political problems in so far as people will think of Social Credit.

**Mr. Isabelle:** You are doing a commercial!

**Mr. Caouette (Témiscamingue):** I am doing a commercial to keep the hon. member for "dull" and not for Hull interested; the "H" should be removed.

Here is the proof, Mr. Speaker: The Minister of Finance was applauding me. I was right to mention the hon. member for "dull".

Joking aside, the Minister of Finance should think seriously of amending this provision of the bill, so that the farmer can transfer his property when he is alive. It is not after death that one must have the opportunity to live, but when one is alive. We should allow the farmer to transfer his property to his son, if he is interested in farming. In this case, let the 25 or 30-year old son become the owner of his father's property without being forced to pay taxes.

The minister realizes this very well. About 90 per cent of our farmers are on provincial or federal farm loan plans. If this has mortgaged their estate, why should we tell them: If you transfer your mortgage to your son it will be considered as income and you will have to pay taxes even on the transfer of your farm.

Mr. Speaker, it is not logical, it is not a way to help farmers or to encourage the young man to carry on his father's agricultural work. No, it is not. We discourage young people when we say: go away, go to town, go to Sarnia, Sudbury, Montreal, or Toronto, leave the land!

After that, what do we see? Smart Americans come to Canada and buy farms by tens, hundreds and thousands; they try to get hold of lands bordering lakes or near urban centers. They will then be divided up and sold back to our fellow citizens at very high prices, while action should be taken immediately, not to send the Americans back home like the Iroquois and the Hurons in 1604, but to help our citizens to own something.

I believe the minister should consider amending that clause to allow present landowners to transfer their property to their children without having to pay any income tax. The various working classes of society should be granted exemptions of up to \$5,000 for married couples and of up to \$2,500 for single persons; \$500 could be granted for each child. The Minister of Finance could then stand proudly and say: At last, I have applied part of the Creditistes' wonderful program!

[Mr. Caouette (Témiscamingue).]

• (1440)

[English]

**Mr. Frank Howard (Skeena):** Mr. Speaker, it is always a delight to answer the hon. member for Temiscamingue (Mr. Caouette), and particularly today to follow him because our views, only on this matter, coincide. I have a concern about the manner in which personal income taxes have their impact upon people living in urban areas vis-à-vis those living in rural or northern areas. This concern is a bit larger than the concern I have over the impact of these taxes upon the family farm and the transmission of the farm through the generations. None the less, it is still a concern over the impact of tax law as it applies to individuals living in those two types of settings, urban and rural. It has long been recognized in Canada that, because of the fact the population is concentrated within a few miles northward from the U.S.-Canada border, we have always had higher costs the farther north you go from that border and the farther you go from the urbanized centres.

There was reference earlier today about the effect of a 7 per cent freight rate increase to a shipping company, Northland Shipping, in my own province, the result of which is to place the cost of food, for instance in the Queen Charlotte Islands, somewhere in the neighbourhood of 20 per cent higher than it is in the lower mainland area of the province. There is the situation in the mid-north area of the province, all through the area of Prince George and Vanderhoof, where food and living costs run anywhere up to 15 per cent higher than they are 500 miles to the south.

We also have the fact that all across Canada the facilities and services available to society are fewer in the rural and lesser populated areas than they are in the urban centres. Invariably, or almost universally across the land, if you have an extreme or rare ailment, or even moderately rare ailment, you do not get the medical attention that is necessary in your home town if it is a smaller sized community. You have to travel to the larger centre to get that. In Manitoba, the movement of people has to be towards Winnipeg, Brandon and Portage—that part of the province—in order to get the special medical attention that may be necessary. In British Columbia, it is to Vancouver or to Victoria on Vancouver Island. I do not know Ontario that well, but I am quite sure that people in Northern Ontario do not have medical facilities available to them to the extent that they are available to people in the Toronto-Hamilton area.

Recognition was given to this problem in the budget speech which the Minister of Finance (Mr. Turner) made on May 8 last. In order to put it on the record, just in case by some extreme circumstance someone may read what I am saying at some later date, I will read what the minister had to say on May 8 last year in respect to that particular matter of medical expenses.

**Mr. Turner (Ottawa-Carleton):** It is already on the record.

**Mr. Howard:** I am sure it is on the record, but it is not on the record in the way I want to put it. It is not in the context of an analysis; it is only in the context of a