

*Income Tax Act*

**An hon. Member:** That doesn't sound like dictatorship.

**Mr. Danforth:** This does not help the little fellow, the man that tax reform was supposed to help.

It is strange, Mr. Speaker, that when we voted on matters pertaining to agriculture, such as the recaptured depreciation, the elimination of the basic herd, the imposition of a capital gains tax, government members who represent farming communities voted for those changes. But they cannot have it both ways, Mr. Speaker. They must either go back to their constituents and admit that they do not understand this bill or that they voted anti-agriculture on those measures. It is as simple as that. Their actions show where they stand. I think many of them voted for the government measure because they did not understand what it meant. If these provisions are implemented in their present form, Mr. Speaker, they will destroy many of the sound and substantial businesses in the country. The government is going to extract more money, but the feeling in the country today is that taxes are about as high as they dare go.

My leader was quite correct when he intimated that there will be further trouble if we get into the realm of capital gains and still have estate taxes in the provincial field. No small business or farm can survive this double taxation. The margin of profit in agriculture today is so small that it cannot bear this extra burden. It will be impossible to hand a farm from one generation to another under the provisions in the proposed tax bill. It just is not possible and there is no incentive if the economic climate of agriculture continues to decline under this government.

The bill becomes more and more complicated, Mr. Speaker. The minister said we debated it for 50 days but I would challenge that. Taking him at his word, however, that time, included the committee stage of this bill. The treasurer of the province of Ontario, as well as his staff, indicated that after an intensive study of four months, the provincial experts were unable to comprehend many of the complicated provisions contained in this bill. Yet, this government would lead us to believe that in this period of time members of this Parliament should thoroughly understand the ramifications of the bill and put it through. It is this to which the people object. The people expect reasoned action by any government, and they fail to see it in this situation. Surely, the people of Canada are entitled to the opportunity to earn a fair living without the government embarking on a deliberate policy or creating unemployment, the opportunity to amass some savings without the government devising ways and means of extracting the greater portion from them, the opportunity to engage in a business without government interference and regulation to a degree that the administrative work becomes burdensome, the opportunity to retire with enough money on which to live comfortably without government action making this entirely impossible, and the opportunity to provide something for their heirs without the government entirely destroying the results of their work.

• (5:00 p.m.)

I resent very much an attitude on the part of any member of this House which indicates that one generation

has no right to pass on wealth to the next generation. I think this is a retrograde step. I think this is one of the greatest incentives people engaged in work have. They should have the opportunity to establish a plateau on which their children can start out far beyond that on which their parents, because of circumstances, were forced to start. This is the greatest incentive there is, but even this seems to be removed under this new tax bill. One has only to read this bill to believe the government has absolutely no feeling for the common people.

It is interesting to note that members in this House stood up and said that the opposition party was opposed to this bill and therefore was opposed to relief for the low-income people, was opposed to the fact that older citizens would get a little break, that some categories would have a little rebate on their taxes and that some of the workers would have a little allowance for their tools and travelling expenses. They told us that if we voted against this bill this was the position we would be taking. This is the program followed by members of this government. They always try to wrap up a few goodies in any measure which they feel should be foisted on the people of Canada. This method is as old as the hills. Many grandmothers used castor oil in sugar to cleanse the systems of their children and grandchildren, but the castor oil in this bill is designed to cleanse the ills contained in it. We can come to only one conclusion, and that is that this bill was the product of a government which wanted to close all possible loopholes that might be utilized by Canadians to survive in the economic climate of Canada.

I pointed out once before, and do so again in supporting the amendment of my colleague, that farming as a business cannot be classified in the same way as other businesses in this country. I am not speaking of the capital gains tax. I am speaking about the basic herd, and the tax paid by farmers themselves, because under the present economic climate farmers cannot pass on any additional costs. Any increased taxation of farmers means even less net profit from the farm operation. If a company selling trucks, tractors or anything a farmer buys, suffers an increase in tax, the company adds the additional cost to the product it sells. If one farm commodity in Canada should have an additional cost added to it, this government would open the door to foreign imports so that the cost of living would not increase, thus adversely affecting their monthly reports.

So, I point out that I would have no hesitation at all in supporting the amendment my colleague has moved in a last desperate attempt to save the farmers of our nation. The government will not benefit by the action it is taking in respect of the farmers. The amount of tax it will collect through this action, which will put the farmers and their sons and daughters off the land, is a small pittance compared to the amount of money it now spends to keep them on the farm. I fail to see, therefore, why the government is taking this action. Does the government not care for the individual farmer? Does it want to shift the money to the other side? The government has spent \$100 million in the west to support the farmers. It spent perhaps \$200 million in Canada on agricultural subsidy programs, and with the grants and other aids to agriculture it probably has spent perhaps an extra billion dollars. Yet the government is going to put the farmers off the land because of the tax