result of evaluation of a farm property today, the tax will be fixed for the future, with no appeal. The result will be that ten years from now, after the death of the farmer the inheriting son will not be in a position to argue successfully with the department. It is difficult at best to argue with the department. How can someone argue ten years from now?

• (1540)

When the department sets up its documentation, it will sit in judgment; it will be prosecutor and judge at the same time. That is not fair. I do not think it is proper for the minister to suggest that his staff is not large enough. He suggested this would be too complicated a matter to handle. He wrote me a letter a few days ago saying he could not do what had been requested because it would perhaps mean entering businesses, and so on. This should not be a one-sided affair; it should not be stacked against the taxpayer. Surely, with all its resources, the department should not bank itself up on all sides and then try to prove we are wrong. They will not allow us to see the documents, yet they will be using the information they are preparing today. I think this is wrong. I do not think the department should follow through with the stupid capital gains tax. I do not think this country is rich enough to support it. It may be all right in respect of speculation. But this is not speculation; it is an opportunity to make a living. I think all anyone expects is such an opportunity without being saddled with this tax.

There should be a reappraisal of the tax itself. I think it should be removed. But if this Liberal government insists on retaining it, it should at least provide an opportunity for the individual to defend himself. There should be provision for a turnover from father to son while the father is still living. My grandfather died two years ago, and my father 25 years ago. There is no incentive for anyone to stay on the land. One would have to be stupid to think he would eventually become the owner. I know of many cases where the son has died before the father. As I have already pointed out, the whole tax situation will not provide an incentive for anyone to stay on the land: it only complicates the matter.

There are several other areas I would like to discuss but I shall mention only one other. That is the whole question of valuations. There should be a valuation on quotas as of V-day, as it is commonly known. That valuation should be in the same form as it was in 1971. If someone applied for a permit, and had no cost other than perhaps postage stamps or phone calls, and so on, it is not fair in respect of valuation day to expect another form to be required for purposes of the quota when it comes to dairy cattle, beef cattle, and so on. Sooner or later the government will have to change this situation. Why not do it now? Why saddle a few people with this burden when next year or several years later the government will have to come to its senses. These are some of the areas of grave concern which stand out very plainly.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I welcome the opportunity to say a few words on Bill C-170 to amend the Income Tax Act. I should like to make a few comments to the bill and on the government's taxation policy in general.

[Mr. Korchinski.]

Bill C-170 contains 140 pages of material on tax amendments. Many of them are very complicated. Some of the highlights are that it will increase the tax exemption of people 65 years of age and over from $650 to $1,000; there will be a $50 deduction per month for students in full-time attendance at secondary educational institutions; there will be some medical expenses deducted for full-time nurse or attendant care for the taxpayer, the spouse or dependant in the home. There are some changes in respect of retirement savings plan. There is also a provision in respect of the transfer of a farm to the children of a farmer on his death: this will be free of capital gains tax. There are measures in respect of small businesses, to encourage them. Such encouragement is needed in this country. There is the repeal of the ineligible investment test.

These are some examples of what is contained in the bill. In most cases these are good measures. However, I think we must examine the whole issue of taxation in this country. When we do that we must look at the relationship between corporate and individual taxes. When we look at the first seven years of budgets of the Trudeau government, we find that since 1968 individual taxes in this country have gone up by $1.5 billion whereas corporation taxes have gone down by $500 million.

It is very interesting to compare the percentage of government revenue in 1951 with the percentage of government revenue today in respect of what comes from corporations and what comes from individuals. In 1951, 29 per cent of government revenue came from corporations, and 27 per cent came from individuals. So one can see there was a fairly close relationship; each group was bearing its burden rather equally. However, in 1973, especially if the corporate tax cuts go through, only 12 per cent of government revenue will come from corporations whereas 50 per cent will come from the individuals.

When we look at the loopholes in our present system, we realize that in 1969, the last year for which we have figures available, 46 per cent of the corporations in Canada paid no federal income tax. If we made revisions and plugged some of the loopholes in respect of giveaways to corporations, we would have somewhere around $2 billion more in government revenue, which would mean we could begin to give a break to the taxpayer so that he would have more money to buy more goods and help increase the job situation in this country.

The individual pays more tax. I should like to give an example. It is true that personal income today is 26 per cent more than it was in 1969, but it is important to remember that taxes have increased by 42 per cent in the same period. An average family of four in 1969 had $9,700 after taxes and inflation are taken into account. Today, the same sized family has $10,400, or an increase of only $700. That certainly is not as impressive as the 26 per cent would indicate. Who are the victims of Canada's tax policy? When we look at the whole issue, we see that the Carter commission in 1968 undertook a thorough investigation of Canada's tax system and declared that there were many glaring inequities. The commission recommended that the whole tax system be based on the principle that a buck is a buck no matter how it is earned, whether through wages, interest, income, and so on, and