

Farm Credit Act

Some hon. Members: What about apples?

Mr. Nowlan: I am not talking about apples; I am talking about the nuts and bolts that make this society work. If there was ever a piece of legislation that indicated the complete futility of this government, I suggest it is the one before us—because we have the Farm Credit Act amendments today, we had tax reform yesterday, and the farmer will be left on dry land tomorrow.

An hon. Member: And the minister had his funny money before that.

Mr. Nowlan: My friends may think I am trying to be funny.

An hon. Member: You don't have to try; you are funny.

Mr. Nowlan: My friend suggests I do not have to try. I can be funny when I want to be, and I can also be serious. If the hon. member does not get the seriousness of my message, he will get it next election day.

• (2050)

He will not be re-elected just because he comes from the beautiful, bountiful province of Ontario which so far has not instituted succession duties. There are some members in this chamber who come from Alberta, the succession duty haven, and there are many other members in this chamber who come from other provinces whose respective provincial governments are walking right into the vacuum left by this federal administration and the so-called tax reform bill which is nothing more than tax conformity which will detract, deform and potentially destroy farming in this land if both the provincial and federal governments do not do something.

What good is it to get a 2 per cent mortgage under the farm credit legislation after the family has contributed to increasing the value of the farm? The housewife often becomes the bookkeeper and the four or five children are active participants in the growth of the farm, but at the end of it they have to pay a capital gains tax which we all say philosophically is just.

Some hon. Members: Hear, hear!

Mr. Nowlan: I like the clapping and I agree with those who clap. Not only do we have the capital gains tax but this government does not have the common sense that God gave the geese to fly over this land, to integrate federal tax reform with the provincial tax laws. So the government of Canada can be the knight in shining armour, not the King for Assiniboia—he is not a bad fellow but he has a lot to learn, if he gets a chance to learn.

The point I am trying to make is, why should the federal government be the knight in shining armour and say to the public of Canada, "We think that succession duties may have a retrograde, adverse, negative influence on the social and economic development of the land, so we will withdraw and leave this field. But because we want to be just and we live under the umbrella of the just society"—whatever that may mean—"we will institute a capital gains tax"? They could not get many economists or

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philosophers to debate the capital gains tax. I regret that this party did not take a strong stand with regard to the capital gains tax as it applies to the farmers of Canada.

Some hon. Members: Hear, hear!

Mr. Nowlan: The only time I hear these timid lions roar is when an opposition member speaks. They roar because they do not dare speak.

Some hon. Members: Hear, hear!

Mr. Nowlan: I am sad because we did not take a strong stand with regard to the capital gains tax as it applies to farmlands and the transition of the farmland from the farmer to his son or blood relatives. We all chickened out. The fact that the capital gains tax was left in a vacuum enabled each individual province to come in with its own succession duty act.

There is nothing the Minister of Agriculture can do, no matter how well intentioned he may be, to help restore agriculture as a vocation and as a challenge to the young people of Canada unless he can get together with his provincial counterparts, not only ministers of agriculture but ministers of finance, and discuss with them the tax laws so that something can be done to redress the grievances that cloud the lands of this country. They prohibit, restrict and work against young people who wish to work on the farm, work which is so necessary for the development of this land.

I say to you that we can have all the amendments to the farm credit legislation in the world, but how can we develop farming if the federal government pounces, with the capital gains tax, on the sons and daughters who helped make the land productive and on the other hand provinces such as Nova Scotia, New Brunswick, Prince Edward Island and other smaller and poorer provinces in the country try to grasp any tax dollar, not fully assessing the long-term effect which the short-term grasp will have?

It will have a very detrimental effect. I know some farmers in the Annapolis Valley who are thinking of moving and setting up dummy corporations in Alberta to avoid succession duties which will mean the final termination of long-term farming in my province. I am not so sure about what is going on in other provinces. All I know is that so far as the Farm Credit Corporation is concerned, in my province over a period of ten years there have been 484 loans, 388 under part II and 96 under part III, which is the part which gives some incentive to the young farmers, for a total of \$8,351,000, which is a pittance.

Some hon. Members: Oh, oh!

Mr. Nowlan: I agree with whatever you say, but this is a pittance and smaller than a pebble in a great, big pond in the totality of farm credit loans. It shows in a graphic way how inadequate Farm Credit Corporation financing is for those of us who live in Nova Scotia—and that province, with all due respect, is a little more productive, farmwise, than some Atlantic provinces. When you compare that sum with the total for the whole of Canada, \$1,550,642,000 over a ten year period, it is a pittance.

There is something further that I would like to ask concerning where we are going in the farm world. What is