

Income Tax Act

if capital gains must be realized by the family and withdrawn from the farm. A young man just starting up in farming could very well have to sell a portion of the farm he has acquired in order to pay capital gains tax. No tax reform legislation should have the effect of locking a farmer or any other person into a business or a way of life simply because he cannot afford to relinquish that business. Farmers can incorporate, but the taxation system should not force them into incorporation.

The concepts that are embedded in the tax legislation will to a great extent jeopardize the present form of our family farms. The application of a capital gains tax must not be permitted to lead to loss of ownership of family farm operations, nor must the capital gains provisions be permitted to introduce unnecessary rigidity and lack of inflexibility in the capital reorganization of a farm business. To conclude, I urge that the government give serious consideration to the proposed amendments that we are debating. If as members we find our time in the House of Commons is to be spent in a meaningful way, the tax legislation as it pertains to farms must be given greater study.

Mr. Jack Cullen (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, it was not my intention to participate this afternoon, but the speeches ground out by the Conservative research people have run down. Maybe over the supper hour they will have an opportunity to prepare a few more. I was very impressed with the presentation of the Minister of Finance (Mr. Benson) when opening the third reading debate on this bill. He firmly planted his feet on the ground and then, tweaking the opposition with the impish grin we have come to know so well, putting his tongue in cheek, he proceeded to tick off the opposition about the fact that they abstained when the committee report came up for a vote. Rather than dealing with the specifics of the bill, the opposition's financial critic defended the actions of the Conservative members of that committee. He talked about the poor members who had to catch airplanes and were not available for the vote. That is too bad, but their responsibility is to the committee and the House of Commons prior to going home to their constituents.

The result of the tongue-in-cheek comments of the Minister of Finance indicated the kind of overreaction we have come to expect from members of the official opposition. It scares me to think there is even a slight possibility that they will be in government. If they react in this way then, being the government party with the kind of criticism to which it is subjected they will not be able to stand the heat in the kitchen.

At this time it is appropriate to compliment the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney).

Some hon. Members: Hear, hear!

Mr. Cullen: I concede to the financial critic of the opposition that I do not understand every section of this bill. However, I have come to believe that the parliamentary secretary obviously does understand them. There was not a section of the bill with which he was unfamiliar or on which he did not give an answer. It may not have been the

[Mr. Murta.]

answer the NDP or the official opposition were looking for, but he certainly understood the section. In the cool and efficient manner that we came to know in the many weeks of debate he showed that he knew the bill inside out, backwards and forwards.

As a member who practised law before coming to this House, I do not think there is any more complicated legislation than tax legislation, be it income tax, succession duties or estate taxes. It has to be complicated. We find lawyers of the Canadian Bar Association and accountants complaining that the legislation is complicated. They know full well that when an individual is going to be taxed, it must come within the four corners of the tax bill. Unless it is covered in the tax bill, the individual citizen is not subject to that kind of taxation.

Based on the decisions made on the old tax bill, the department, government and committee told us this bill would plug some of the obvious loopholes. In that way it is complicated and lengthy. When the time comes to put the bill into operation there will be all kinds of assistance available to the taxpayer. I am not referring primarily to lawyers and chartered accountants, but the kind of assistance we have come to know and expect from the Department of National Revenue. There are brochures and pamphlets to explain what seems to be a complicated piece of legislation. It is very easy to understand when put into such a document or form, but extremely difficult to put down in a piece of legislation.

Reference has been made to the fact that we have imposed a time allocation. The opposition likes to use words like "guillotine" and "closure". I do not think that anyone can win that semantic argument. It does not matter. The time comes when government must take its responsibility. I am proud this government took its responsibility. I support the action taken by the government. There comes a time when debate must end. We must make a decision. The government that introduces the bill must stand or fall by the legislation that it brings forward. It is not up to the opposition to impose their own form of filibuster or closure by debating ad nauseam sections that they do not like or feel should be changed.

There comes a time when the government must decide whether to make amendments, and it certainly showed its flexibility in this area, or to stand by the section, pass it and accept responsibility therefor. Nothing is to be gained from debate that goes on interminably with no decision being reached. I support the government and its time allocation. I think that rules 75A, 75B and 75C are good. These are the kind of rules that will save the House of Commons, not destroy it.

• (5:50 p.m.)

A cry has gone up from opposition members that there is no tax reform in this bill. Yet we have provided for a capital gains tax; we have provided that in addition to the increased exemptions which are to be allowed, people aged 65 and over will benefit by a further \$650 exemption. He must also recognize the assistance given to working mothers who may now receive deductions in respect to child care expenses to the extent of \$500 a year, or a maximum of \$2,000 a year for a family. Acknowledgement is made, at last, of the fact that the workingman needs the tools of his trade. I agree that \$150 is not