

Income Tax Act

other hon. members to take part in the debate, I do not think it would be useful to repeat remarks I made in response to the same question raised earlier by the hon. member for Crowfoot. With regard to information services, the hon. member for Vegreville raised a very valid and good point. I am advised that the Minister of National Revenue spoke in Vancouver recently about his department's program. In the very near future he will be making an even more complete statement on the intentions of his department.

In this connection I can only say that I hope not too many Canadian taxpayers will be panicked into retaining professional tax advisers if they have not needed them up to now. The Department of National Revenue does intend to render every assistance to Canadian taxpayers. Indeed, I think most Canadian taxpayers will find that if they have not needed professional tax advisers hitherto under the present system, there will be no reason for them to need them under the new system. I realize, of course, that a number of people sometimes use scare tactics in order to drum up business in anticipation of valuation day, and so on. I can only say that I hope our taxpayers will wait and see what information and assistance is available to them from the Department of National Revenue before spending their money on that kind of service.

The hon. member for Lanark-Renfrew-Carleton raised the question of the farmer who owns three separate parcels of land and resides on one of them. The \$1,000 per annum deduction from capital gains in lieu of the exclusion of place of residence applies only to the parcel of land on which the residence is located. If the hon. member would refer to section 40(2)(c) on page 100 of the bill, I think he will see that that is very clear.

Mr. McIntosh: Mr. Chairman, I had intended to speak generally about the capital gains tax, and so on, but in view of the remarks made by the hon. member for Lanark-Renfrew-Carleton and those of the parliamentary secretary perhaps I can deal for a moment with two specific recommendations put forward on this side of the House by members of all opposition parties. These two specific points are the basic herd and capital gains made from farming.

In referring to these two items the hon. member for Lanark-Renfrew-Carleton said that every time a member on this side of the House—at least, this was the implication—criticized not only this bill but Bill C-244, and I suppose he also included Bills C-197 and C-176, he was doing so for purposes of political expediency. We have on many occasions said that we are concerned with all farmers in Canada, not just farmers in western Canada, as he implied. We from western Canada have no axe to grind about the treatment afforded farmers in eastern Canada by the government. We hope that they will get a square deal. In fact, they are entitled to a square deal.

An hon. Member: And they are not getting one.

Mr. McIntosh: As one of my colleagues says, they have not been getting a square deal. I was very surprised to hear the hon. member say that he spoke to about 1,200 farmers in the Prince Albert area recently, not one of whom spoke in favour of any measures for eastern agriculture. I do not want to say that the hon. member is

lying, but I would say that that is not the truth. He should realize that most of these farmers' ancestors came from eastern Canada and so these farmers are very interested in what happens in Ontario and Quebec.

The hon. member also said he had been speaking during the last two months in the riding of Assiniboia. I can speak with some authority on that riding since it was formerly part of my riding. For example, the ancestors of farmers in the Strasbourg and Duval areas came from Quebec, and I am sure they did not tell him what he alleges they said. Perhaps this will convince the hon. member that we from western Canada do not speak about problems only from our particular region. We are Canadians.

I would like to issue a challenge to the hon. member who said that every time we get up in the House to speak we do so for purpose of political expediency. I would ask him this question! If some body in Parliament which was favourable to the government were to make certain recommendations, would he accept them? I refer to the two recommendations made by the Senate committee with reference to the subjects we are discussing. As hon. members know, the other place is composed principally of appointees, followers of the present government. It is certainly composed, to the extent of 80 per cent, of followers of the hon. member's party. If we say nothing further from this side with regard to basic herds and capital gains on farmland, would the hon. member try to persuade the Minister of Finance, the parliamentary secretary—

• (3:40 p.m.)

An hon. Member: And the Prime Minister.

Mr. McIntosh: Never mind the Prime Minister. I want to be clear in this regard. Would he disregard what we have said and accept these representations made by a body composed to the extent of 80 per cent of members sympathetic to his own party? The parliamentary secretary said the basic herd concept was not a good idea for farmers and ranchers, and I suppose he will be saying the same thing about our representations having to do with capital gains. If the proposal does not affect the government's financial picture one way or the other, why not give these people what they want and what they feel is good for them?

The Senate committee asked that provision be made for the continued recognition of a farmer's permanent herd as a capital asset, rather than treating it as inventory or stock in trade as proposed in the measure before us. Everyone who has anything to do with farming knows that the basic herd is the production machine of the ranch or farm. It is the production machine which provides the calves year after year. Why cannot it be treated in the same manner as other productive machinery is treated? This is what farmers are asking. I do not know whether it is good government ought to do, and we in the opposition agree with them.

The Senate committee also recommended consideration be given to extending the roll-over provisions to permit land together with any other capital property which is used by an individual in a farming activity to be transferred, either during lifetime or on death, to descendants without being subject to capital gains treatment under the