

Income Tax Act

as it deals only with the transfer of farm property at the death of the father or the mother.

In brief, under the present government one must die to expect benefits. That provision of the act really lacks rationale and I think it should be amended so as to make it more reasonable.

At the moment, farmers as all other citizens of Canada must wait until they are 65 to qualify for an old age pension. One must remember that farmers as other citizens work hard. Some are exhausted, others are stricken by illness. The case might very well happen where for such reasons a farmer is forced to sell his farm to his son at the age of 55 or 60. And because social welfare allowances in Quebec are very low the farmer selling his farm should normally expect to benefit from his property and live a few years of peaceful life.

That is why I hope the minister will come up as soon as possible with changes which I consider indispensable for that class of society.

We all know how difficult it is to live on a farm and those who succeeded in that profession had to work very hard. They turned to their wives and to all the other members of the family for help. For this reason, it is the Canadian government's duty not only to bring in measures to incite young farmers to take over but also to spare the latter the pain of seeing unduly heavy or harsh taxes levied against parents who wish to retire at a reasonable age or who are compelled to stop working.

[English]

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I wish to speak very briefly on this matter and one other matter that was raised a little earlier about the passage of legislation through this House. It should be on the record that those of us in this party certainly intended to see passage of second reading of this bill last night. We were fully in agreement with the Minister of Finance (Mr. Turner) on this matter, as I am sure he will acknowledge. It was not our group that held up the passage of this legislation last night.

With all due respect, if the Prime Minister (Mr. Trudeau) were in his place in this House a little more often to see what is going on here, he would not be so wild in his accusations about holding up legislation. We were quite willing to pass second reading of this legislation last night. It was another group in this House which indicated it had a long list of speakers, and that is what is holding up this bill.

There is only one other matter I wish to mention. My intention is to urge the minister and the government to reconsider this bill and redraft it slightly to make it more realistic to the needs of the farming community. There is no denying that this is sensible and necessary legislation. I know that we in the Conservative party were complimented frequently during the election for proposing in our platform that capital gains taxes should be waived on the transfers of working family farms from one member of the family to another. I might compliment the government for its wisdom in lifting this plank from our platform. However, I would like to stress, Mr. Speaker, that they have not taken the whole plank. In fact, they have forgotten or ignored a very important part of it.

[Mr. Godin.]

Politics aside, Mr. Speaker, the trouble with this bill as it stands is that it does not go far enough. I think all members of this House who represent farming areas will agree with me on this point. The legislation, to fully accomplish its intent, should waive the capital gains tax where a farmer who is retiring, passes on his farm to his son, daughter or spouse who is to continue to work the farm. The child or spouse should not have to wait until the father dies to become owner, or else pay capital gains tax.

As one agricultural spokesman in my riding noted when referring to this measure, many farmers are notoriously long-lived. Therefore, as this bill now stands, we could have a retired farmer dying at age 90 and passing on his farm tax-free to his son who is 70 and also retired, and whose own sons, or perhaps even grandsons, are the ones actually working the farm. It is unrealistic. It creates as legal fiction. Surely, it is only sensible and realistic to allow the ownership to pass, unhindered by this tax, to the member of the family who is actually working the farm.

I recognize that at this stage such an amendment by us would be out of order, but I hope that all members of all parties will agree to a Conservative amendment which will be moved in committee along these lines.

Mr. Speaker: It being one o'clock, I do now leave the chair. The House will resume at 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I should like to confine my remarks this afternoon to the proposed amendments to the Income Tax Act as they relate to the farming community.

I listened with a great deal of interest to the budget speech delivered by the Minister of Finance (Mr. Turner), on Monday, February 19, in the course of which he said: I should like, now, to draw your attention, Mr. Speaker, to another matter which is of great importance, namely the preservation of the family farm.

I expected the minister would then go on to announce tax changes which would in fact help to preserve the family farm. I thought that at long last the government really intended to recognize the pressing problems in agriculture. The thought occurred to me that the election slogan "the Land is Strong" was not just a gimmick but something in which members on the other side really believed. I guess I was wrong. It was a gimmick, and the land is strong only when the farmer dies.

What we need is legislation which will exempt the family farm from capital gains tax when it is transferred during the lifetime of the farmer. The Minister of Agriculture (Mr. Whelan) has gone around the country attempting to give the impression that the present legislation is great legislation, and that it has solved the problems of the farmer who wishes to pass his farm on to his son. I suggest the minister does not understand the legislation. At least, he did not understand it eight days after the