

Income Tax Act

opportunity comes the young people leave, especially when the government does away with those incentives that are needed so badly in the farming industry today?

President Nixon has stated that United States farmers will not be forgotten in the period of adjustment and surcharge, and he promised to provide price support levels for farmers in order to permit the free movement of commodities in world markets. These include direct payments to bring returns up to a specified goal. This is a vital matter both in Canada and the United States, inasmuch as many of our products have to be exported and compete in markets of the world. This indicates that if the door to world trade in agricultural products is allowed to slam shut in the months ahead, the consequences to the Canadian economy will be disastrous. Where would we be today had we not sold \$1 billion worth of grain two years ago? If hon. members review the financial picture that year they would soon discover where we would have been.

The Minister of Agriculture seems convinced that market prospects are bleak indeed—

The Chairman: Order, please. I regret to interrupt the hon. member but I have been listening to him carefully and I was hoping that fairly soon he would deal with the three sections now before the committee, section 28, which deals with the method of computing the income of a taxpayer engaged in a farming business, section 30, which deals with expenses incurred in clearing land, levelling land and laying tile drainage, and section 31, which deals with losses incurred by farming where the chief source of income is not necessarily from farming. Essentially, these are all matters concerned with the calculation of a farmer's income. I hope the hon. member will try as much as possible to keep his remarks relevant to these sections.

Mr. McCleave: Mr. Chairman, may I speak to the point of order? I was listening to the remarks of the hon. member for Simcoe North, and I thought he was trying to take a rational approach to the problems confronting farm operators in Canada. I am a little at a loss to know whether we should hold ourselves strictly to the exact wording of the sections before us or whether we should not be allowed to carry on a debate on legitimate matters of tax reform. That is a big question for the Chair to answer, but it was my understanding when we embarked on our study of individual sections or groups of sections that we would be allowed to range reasonably far so long as we stayed within the general confines of the measure before us.

I thought the hon. member for Simcoe North was discussing taxation in terms of the problems it creates for farmers, which I should have thought was hardly ranging over the whole waterfront of taxation reform. If that is the case, then I think he should be allowed to continue his remarks. I think Your Honour would have to agree that he is not a member who strays wide and far, but generally keeps within the very narrow limits. I would hope Your Honour would be inclined to be reasonably generous—indeed, I must say Your Honour has been so in this whole debate and I make no criticism whatever of the Chair—and allow a certain latitude of debate.

[Mr. Rynard.]

Mr. Horner: On the point of order, Mr. Chairman, there is a moot point in which I think the Chair might be interested. Section 29 deals with the basic herd. If the government now decides to change it, then the transitional period in section 28 will have to be changed, too. Section 28 provides that where the income for a year shall be deemed to be an amount equal to—and then a computation follows. In other words, it might be beneficial for a man in the livestock business who does not have the advantage of establishing a basic herd to go on the accrual system. Once he does that, he cannot revert to the cash system because under section 28 he is locked in. Therefore, since section 29 has been stood, section 28 would appear to be interrelated. That point may not have caught the attention of the Chair up to now.

The Chairman: Is the hon. member for Saskatoon-Biggar rising to the point of order?

Mr. Gleave: Yes, Mr. Chairman. I should like to point out that I raised this question yesterday evening. The parliamentary secretary said, as reported at page 9444 of *Hansard*:

In the spirit of the debate we are entering into I am quite prepared to try to range over the field of taxation of agricultural enterprises. I do not think there has been very much in the speeches we have heard until now to indicate that we are dealing strictly within the terms of the four sections before us. I suggest, on the basis that the points are important, that they must be dealt with at some point during consideration in committee of the whole. Perhaps if we deal with them in the context of these four sections being our opportunity to deal with agricultural matters specifically, we will not have to re-cover the same ground when the particular sections involved come up for discussion.

The parliamentary secretary then went on to point out that we had dealt with and agreed to the averaging provisions, but that this should not necessarily preclude our debating them again. I did not disagree with the parliamentary secretary at the time. In fact, I intervened on the point of order only to try to establish how we should proceed. I have to agree with the parliamentary secretary that there are matters outside these four sections that do come within the ambit of our discussion. Even though one subclause has been allowed to stand for discussion at a later point in time, I think we must still refer to it from time to time in order to relate other proposals that we shall be making to that particular provision.

The Chairman: The Chair only wants to comment that I interrupted the hon. member for Simcoe North, not with the intention of trying to hold the hon. member or any other hon. member closely within the confines of the three subclauses. However, I want to say to all hon. members that the Chair does have a responsibility. Notwithstanding the opinions of the parliamentary secretary and the hon. member for Saskatoon-Biggar, both of whom I respect very highly, the occupant of the Chair from time to time is the one who has the responsibility to make such decisions.

• (3:30 p.m.)

The hon. member for Halifax-East Hants and the hon. member for Crowfoot are very good advocates. I have no intention of attempting to limit the debate beyond what is reasonable. I must say I thought I should draw to the attention of the hon. member for Simcoe North that he might have been going a little wide of the subject when