

Income Tax Act

She wants to visit two months with John, one month with Sam and, if one is in the south, she may want to go there for the winter and enjoy some of the sunlight she reads about in Air Canada ads. She is told to fly south and enjoy the birds now, because she will not enjoy them later; she will be plucked. What happens when she returns to her home? The income tax assessor tells her, "Madam, you were away for two months, five months or a year and you rented your home. You did not want to sell the family home." She wanted to keep the home because she knew one of the boys would come back or one of the families was getting too big for an apartment and wanted to use her home. For this reason she kept the home. She thought she could at least give them the home. What happens? The income tax assessor says that is not her principal residence.

Look how complicated it becomes when a gain has accrued. There is a market valuation day on the home. Because this woman has been away for a certain period she has to pay the gain on that. She may have rented the home. She may have lived away. That is how the widow gets hit. In my area the widow gets hit much more viciously. I come from a part of Canada where we do not have all the basic natural resources and the fundamental riches that the Canadian shield has produced for people living in other parts of this country. We do not have the oil and gas fields of the west, or the Rocky Mountains near where my friend from Vancouver South comes and yearns to return.

Mr. Laing: What about all the oil?

Mr. Nowlan: We do not have many homes on the water. We have floating derricks, but you will not even let us have the oil. The minister knows they do many things in British Columbia tremendously well. I was there for a while. In Nova Scotia we also do many things, but we do not yet have houses on the water. When you talk about oil, that is not only a red herring but it is pollution of the water which the Minister of the Environment would not care to handle.

Separate and apart from the principal residence owner who still has to pay taxes, is the lady left only with the home. In my area there are countless situations where there is only a little home and two or three acres of land. Do you know what "big brother" is going to do? He is going to say that under the tax act you are allowed this home and one acre surrounding it. She will ask the tax collector, "What am I going to do? I have my cow on the second acre. I have a little woodlot for firewood on the third acre. It is all scrubland. I like to walk out there and pick blueberries or enjoy the spring." The tax collector says, "I shall be reasonable. You are allowed one acre and a house, but you have to go down to the county assessment office and decide on the value of those two acres because at some time you will have to pay a little tax on them". This principal residence provision is a snare and a delusion.

• (9:20 p.m.)

An hon. Member: Is the cow a basic herd or not?

Mr. Nowlan: I was coming to the basic herd. I was trying to lay the groundwork for the acres on which the old lady

might be able to develop the herd. But on this little piece of ground she could not develop a basic herd.

Some hon. Members: Hear, hear!

Mr. Nowlan: There are many other reasons she could not develop a basic herd. Let us talk about the labourer.

An hon. Member: Let us talk about the bill.

Mr. Nowlan: I am talking about capital gains. I am talking about labourers, friends of my friends to the left. We always have to look there. It is a little slant vision but it is completely appropriate because they talk with forked tongues and you have to look a little slantwise. We are all familiar with the term "mobility of labour". An employee is called upon to move when his company transfers him to a job at another plant or when his old job comes to an end and he has to move in order to find a new one. He gets a job and he has to move from A to B. It is a brand new job. He goes away 40, 50, 100 or 200 miles away and rents a home. Perhaps a year or two later he comes back.

The same thing happens to him as happens in the case of the widow. He finds he will be stuck for a capital gain during the period of his absence. He does not appreciate this today, and if he listens only to the preachings from my friends to the left he will not understand it now; but he will understand it when he gets to his bank. Here are two situations, the widow and the labourer. I can think, too, of the retired schoolteacher with a little nest-egg, or of a young couple trying to buy a home. It is hard enough to save money today under the burden of taxation. I think of young persons living in apartments in cities, working to get money to move out and buy a home.

As I said earlier, all sorts of governments, regardless of political affiliation, keep talking about housing plans, a cherished dream for all and so on. A man's home is his castle. Under this capital gains tax proposal that man's castle will be as far away as most of the castles in England are removed from Canadians of ordinary means. I think of the small businessman. I believe this message is sinking in. It is the average Canadian, the small Canadian running a corner grocery store or a barbershop in a little town who is going to be socked over the head with the problem of capital gains.

Then, of course, there is the question of the family farm. The family farm, or the farm which is the subject of this amendment, has two basic characteristics which do not apply to any other vocation or endeavour. Basically, there is a very high family farm component to the bona fide farms of Canada today even though this is changing under present pressures. The other component is a very high ration of investment as compared with returns, and the fact that it takes many years to develop a farm into a viable proposition.

I suggest there is something wrong with the priorities of a government which in this tax bill will let you buy a lottery ticket and get the full benefit of that, as I understand to be the case, and yet is so preoccupied with getting every penny. You can gamble with a piece of paper and win and keep it all, yet people are penalized when they try to build up a home, a little farm, a little business, move from one town to another to keep a job or move out of an apartment to build a home. I say it is not social justice to