

earlier this day by the hon. member for York South. Is this agreed?

**Some hon. Members:** Agreed.

Progress reported.

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### PRIVILEGE

MR. LEWIS—ALLEGED MISLEADING ANSWERS BY ACTING PRIME MINISTER CONCERNING DECISION ON FOREIGN OWNERSHIP POLICY—RULING BY MR. SPEAKER

**Mr. Speaker:** As hon. members know, a question of privilege was raised earlier today. The Chair undertook at that time to look into the matter and make a ruling later.

The hon. member for York South (Mr. Lewis) raised a question of privilege and proposed for the consideration of a Standing Committee of the House what he termed the discrepancies between statements made to the House by the Acting Prime Minister and the contents of a document published in a newspaper. The hon. member referred to answers made in the House yesterday by the Acting Prime Minister to the effect that no decision had been reached by cabinet in reference to certain matters. He then argued that the existence of the document published by the newspaper conflicts with the Acting Prime Minister's statements.

Does this constitute a question of privilege? I said earlier today that there had been no opportunity to review the precedents. This has been done in the intervening hours. A close review of the records of the House has been carried out in an attempt to find a precedent or precedents which might support the hon. member's contention that in the stated circumstances there might be a *prima facie* question of privilege.

On the contrary, the pertinent precedents tend to establish in the main that statements made outside the House, or documents published elsewhere, ought not to be used for the purpose of questioning statements made in this chamber by hon. members from either side of the House. I refer, for example, to certain decisions of the Chair which may be found recorded in *Hansard* of February 14, 1938, at page 382; in *Hansard* of July 3, 1952, at page 4162 and in *Hansard* of December 21, 1951, at page 2346. There are many other precedents more or less on the point, which might be quoted by the Chair.

Hon. members will allow the Chair once again to refer to citation 113 of Beauchesne's Fourth Edition as follows:

A dispute arising between two members as to allegations of facts does not fulfil the condition of parliamentary privilege.

With respect, I suggest to the hon. member for York South that the point he has raised is much more a matter of debate than it is one of privilege. I must therefore rule that there is no *prima facie* question of privilege which would enable the Chair to put the motion proposed by the hon. member for York South.

### Income Tax Act

## GOVERNMENT ORDERS

### INCOME TAX ACT

The House resumed consideration in committee of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequent upon the amendments to that act—Mr. Benson—Mr. Honey in the chair.

**The Chairman:** When the committee rose, section 3 was under consideration, with an amendment to paragraph (b) proposed by the hon. member for Edmonton West. Shall the amendment carry?

On clause 1—section 38: *Meaning of taxable capital gain and allowable capital loss.*

**Mr. Stewart (Marquette):** Mr. Chairman, before six o'clock I was drawing attention to the detrimental effect which the proposals before us dealing with the application of capital gains tax to farm machinery would necessarily have on the whole farm economy. I was showing just how hard this would hit the farmer, using different lines of machinery by way of illustration. I used as an example the 4020 John Deere tractor, a popular model used by many farmers across Canada.

Since most farmers need combines, I used as a further example the Massey-Ferguson Super 92 combine. This combine has not been produced for the last nine years. If a farmer trades in a machine of this type today it will be fully depreciated. Yet because of the high cost of new farm machinery the trade-in value would still be around \$6,000. This means the farmer would have to show the \$6,000 as a capital gain or as recaptured depreciation, and 50 per cent of it, or \$3,000, has to be declared as taxable income. These are book figures.

• (8:10 p.m.)

Another example I should like to point out as an indication of how hard a capital gains tax on farm machinery will hit the farmers is that only two years ago a Farmall M tractor, which has not been built for 20 years and which sold new for \$1,600, was resold for \$1,800. In these days of inflation the same tractor would sell for \$7,000, but here again this shows up as recapture depreciation and is strictly a book figure.

I am surprised that the government has not brought in the Barber report on farm machinery for discussion by the Standing Committee on Agriculture. There have been complaints by all segments of the agricultural industry about the high cost of farm machinery. All farm organizations maintain that these inflationary trends will put farmers out of business. The price of farm machinery has tripled during the last 20 years. We are told by the implement companies that the reason for this increase is that improvements have been made, though I do not agree with that claim. As an example, a wide level discer has not changed materially during the last 20 years with the exception of hydraulic operation, though it has changed considerably in price. This is why the government should not delay putting the Barber report on farm machinery prices before the Standing Committee on Agriculture.

I have maintained all along that many of the government's proposed tax changes are unnecessary. Earlier this