

Income Tax Act

Forest Industrial Relations Limited represents 122 companies engaged in logging and the manufacture of forest products in the coast area of British Columbia . . . In addition, there are many companies in other parts of the province who are also obliged to operate cookhouse and bunkhouse facilities. There are approximately 40,000 members of the IWA in British Columbia of which 5,000 reside in remote camp sites . . . The impact of the ruling in economic terms must be evaluated from several standpoints.

From the standpoint of each individual affected, the increased taxation will be in the order of \$335 per annum. In order for camp employees to maintain their take-home pay, an inflationary increase of 35 cents per hour will be necessary. As we have stressed earlier, the impact of the ruling would be a reduction in take-home pay for loggers, who amongst other things have uncertain work years, work under changing and often adverse weather conditions, spend time travelling to and from remote locations, and often are required to maintain another residence for family. These are but a few of the additional factors that compound the problem.

I said in my opening remarks that it was an historical budget in several respects. The second historical aspect of the budget is the fact that on April 10, 1978, the Minister of Finance announced that it is expedient to amend the Income Tax Act and to provide, among other things—this is the part I consider to be important—that for 1978 and the subsequent taxation year an individual be entitled to exclude from income the value of board and lodging received in respect of employment at remote work sites at which he could not reasonably be expected to maintain a self-contained domestic establishment.

As a result of the April 10 budget there will be no requirement for an inflationary escalation in the wage rate in the forest industry in British Columbia. We will recognize by law that individuals at work in remote camp sites, those who are engaged in what is sometimes a dangerous occupation, those who are employed in an occupation which demands rigorous physical standards, those who work in mud and rain and other equally hard circumstances, will be exempt from taxation on those parts that the employer contributes to the room and board of those who cannot be expected to maintain a residence in a remote area. I say to that, hallelujah.

Many of us from British Columbia have worked hard to have this exemption made into law. A year ago at this time we were discussing this with the forest industry, with the IWA, with MacMillan Bloedel and with various other companies, and there was great concern that those people who were working at remote camp sites, if charged additional taxes, would ask themselves why they should not go to work in cities like Nanaimo, Vancouver or Victoria if they cannot have this exemption, and why they should be separated from their families and not even be able to watch television. It sounds strange, but many of those areas do not have radio or television, so that the loggers, apart from being separated from their families, cannot even listen to radio or watch television. We as members of parliament cannot do much so far as their love life is concerned, we cannot provide some of the amenities because of the isolated location, but we have recognized that their situation was unique and we have given it some credit. For that reason I thank the government, members of the cabinet, and especially the Minister of Finance, for listening to the pleas of these people.

● (1622)

Also I should like to thank two people with whom I worked very closely. I am referring to Mr. Earl Foxcroft, the President of International Woodworkers of America, Local 1-85, who lives in Port Alberni, and Mr. Joe Standell, who is on the management side of MacMillan Bloedel in Port Alberni. Their recommendations, support, and pressure were appreciated greatly by myself. The decision by Mr. Guay not to implement the policy in January, 1978, and the subsequent decision, were in no small way achieved because of the efforts of these two fine gentlemen. I thank them for their efforts.

There have been other comments regarding Bill C-56. Aside from having a very strong forest industry in my constituency of Comox-Alberni, there are many people engaged in the dairy business and truck garden fruit and vegetable operations. As a result of amendments to the act, I am pleased there will be a change regarding the transferring of property in family farm corporations. A family farm corporation can be transferred to a farmer's children without immediate tax on any capital gain.

Many hon. members of the House are to be congratulated, especially those from the prairie provinces who have worked very hard on that section. If we are to have a viable agricultural industry, concessions must be made regarding the transfer of family farms to sons, daughters, etc. It must be done in a manner which does not force sale in order to pay taxes on capital gains. Farmers in the dairy business in my constituency will find that section and another one which deals with transfers to children who have an interest in a family farm partnership will provide immediate relief in order for farms to remain in the family without a sale taking place to pay capital gains on the increase in the evaluation of the property.

Over a number of years a number of progressive budgetary measures have been taken. Sometimes it is forgotten, although at the present time there is a budgetary deficit, that one of the reasons for the deficit is that since 1974 it has been the policy of the federal government, through indexation of taxation, in fact to collect less than it would have normally collected. Since 1974 the federal government has given up approximately \$5 billion in taxes which it would normally receive as a result of its indexation policy.

Sometimes it is difficult for Canadians to perceive what the solutions are if deficits are to be avoided. Obviously if a deficit occurs, one of two things can be done. The taxing power of the federal government can be raised in order to make up for those deficits, if it is felt that those expenditures are required. In the four years I have had the honour of being here, for very obvious reasons I have not heard anyone stand and demand that the government raise the taxes of the people of this country. What has been said is that the government should reduce its spending. I have no disagreement with that. It is a manner of solving partially a deficit situation. What I have never heard in the House or in committee is where these savings should take place.

It is a fact of life that 60 per cent of government spending is done by the municipalities and the provinces. Approximately 40 per cent of the spending by governments in Canada was