

tion the minister has given us tonight. I think that is more than a politician should have to do. It is putting him at a level of danger that an ordinary mortal should not have to face.

I suppose I should be speaking more solemnly, Mr. Chairman, but I am simply saying to the minister that equity demands that we tackle this program. I talk to the wives of small businessmen in our towns who work long hours with their husbands, and then they get hit with this at income tax time. The younger people are all leaving for the towns and cities today. In this House we have the hypocrisy to stand up and pay great obeisance to the ladies. This is their year, yet we will not even make a simple amendment to let them have the advantages of incorporation without losing the advantage of being able to pass the farm or store on to the next generation.

I do not think the excuses we are getting from the Minister of Finance make sense; they threaten the survival of those of us who come from rural ridings. He is condemning us to a fate that is so awful that most of us do not dare face it.

I know the minister cannot change this in a short time, but I hope that if he brings in another budget, in this year of the women, he will make this amendment. If not, there are going to be a lot of casualties among rural members of parliament of all parties. These women do not think we are doing our job here when we cannot persuade the minister to accept a simple amendment. It could be done if the minister would just take the initiative. It would not be too difficult to put down the conditions that would prevent the provision from being abused in the area of small business. I would like to see us maintain the family businesses in our country, and also the family farms. We are going to need all the production of these people in Canada and the world, and I would like to see the House override the objections raised by the minister and insist on this amendment.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I think the committee ought to recall that the only exception to tax free transmission of property from one generation to another is the one I introduced in the previous budget for the family farm. The hon. member is not going to catch me up on emotion on that situation. We brought it in because of the importance of the family farm and the partnership between man and woman on the farm.

The hon. member for Medicine Hat is trying to suggest to the committee that we should extend that exception to incorporated family farms. I am saying to the committee that we cannot do that without extending it to every incorporated family business, and that I am not in a position to do.

The hon. member for Qu'Appelle-Moose Mountain calls me a city slicker because he feels I represent a city riding. He knows this town pretty well, and he still canoes on the Rideau river between my riding and that of the hon. member for Grenville-Carleton. He knows there are a lot of good beef and dairy farmers in Cumberland and Gloucester townships. I want to assure the hon. member that the women of those townships are very well adjusted, liberated and fulfilled!

Income Tax

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, all I can say to the minister's last remark is that I am not responsible for them being fulfilled.

Some hon. Members: Oh, oh!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I am simply pointing out in flat contradiction to what he said, that if he cannot do this for the family farm without doing it for small business then he should do it for both. If he does not do it for both it is not morally equitable, and I do not think we have the right to stand up and brag that we are doing justice to women in this year 1975.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Chairman, I am curious about why the minister says so definitively that he cannot do it unless he does it for the small businessman as well. Is there any particular reason why this cannot be defined to apply to a small business farm?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, it is because it is not the definition of the corporation that counts, it is what the corporation can hold. Once the corporation is incorporated there is no limit on what it can hold.

Mr. Stevens: Would the minister agree that the draftsmen of income tax legislation are usually adroit enough to define what is the main business of the corporation? If the main business is farming according to the definition, then you have a family farm situation and you go ahead and include them in the provision. I think the minister has drawn a red herring across the situation when he says we have to go the whole way or not at all. It is possible to draft a provision that would apply to an incorporated farming business without any suggestion it should apply to all personal small businesses.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the difficulty is not just the mechanical problem, it is the equitable problem. I can distinguish, and I think members of the committee can, between an unincorporated farm and another kind of business because of the illiquidity of land—the difficulty of mustering the money to pay succession duties, and now capital gains tax on land. I cannot draw that distinction between an incorporated family farm and an incorporated ordinary business because the shares are not illiquid and they can, in any family planning situation, be transmitted over the course of a lifetime of the owners of those shares. That is the difficulty. Once you attempt to incorporate the family farm there is no logical reason why the same tax free transmission should not be granted to any family business. That is the problem as I put it to the committee.

Mr. Stevens: I take it the minister agrees that from a drafting standpoint and legal standpoint it could be done, but he just feels that in equity it should not be done.

Mr. Turner (Ottawa-Carleton): In equity it is difficult to justify without going further. In terms of drafting it is difficult because you have to provide for some limitation on the holdings of the corporation. From an administrative point of view that would be very difficult to enforce.