

Income Tax Act

ers up north. They will tell you about the winters. Perhaps some of the ranchers in the foothills close to Calgary South may enjoy a climate somewhat equal to the climate many ranchers experience in the United States. However, not all of us can live in the sheltered belt of the foothills; not all of us can enjoy the chinooks in the southern part of that province. Many of us have to raise cattle where the going is tough. We should have a tax break in order to be competitive.

We might ask the former head of the products division of the Department of Agriculture, Ralph Bennett, about this situation. He has addressed many groups across Canada and has said that the price of our cattle always hinges upon the price in the United States, on what is going to market in the United States and on what is going to market here. The price received is governed accordingly.

When we look at the price received we must take a look at the cost of production. We must look at the costs in order to arrive at the net position of the livestock man. Is the livestock man in Canada in a better net position than the livestock man in the United States? No. Machinery costs and all other costs right down to a lariat are higher in this country. I once used the word "lariat" and the press never forgot it. Even a lariat can be bought more cheaply in the United States than in Canada. The price of fencing, wire, machinery, saddles, lariats and all these things used in the livestock industry is less in the United States than in Canada. Taxes on land are another item. The taxes on ranch land in the United States are no higher than they are in Canada. In fact, land cost in some areas is cheaper in the United States.

I notice, Mr. Chairman, that you are about to interrupt me and therefore I shall finish very quickly. There is no doubt in my mind that the cost of production is cheaper in the United States than it is in Canada and therefore we should have a tax break and not a tax increase.

Mr. Mahoney: Mr. Chairman, I should like to make it very clear that we are always willing to accept the more worth-while suggestions of the hon. member and are quite prepared to stand section 29 if that is the disposition of the House.

Mr. Horner: Thank you.

The Chairman: Perhaps the Chair did not understand. Is there a suggestion that section 29 be stood?

Mr. Mahoney: Yes, Mr. Chairman. Of course we are still debating sections 28, 30 and 31.

The Chairman: The Chair would like to put the matter in order to make sure that representatives of all groups are agreed. The suggestion is that section 29 of this group be stood and that the committee proceed with its consideration of sections 28, 30 and 31. Is that agreed?

Some hon. Members: Agreed.

Mr. Burton: Mr. Chairman, may I ask what the intention is in terms of proceeding further with clause 29 if it is to stand?

Mr. Mahoney: I beg your pardon. I did not quite catch the question.

Mr. Burton: I want to find out what the intention of the government is or what action the hon. gentleman has in mind in respect of proceeding with this section. Is it to stand on an indefinite basis?

Mr. Mahoney: Yes, indefinitely. Obviously we will have to come back to it some time.

The Chairman: Is the committee agreed that section 29 shall stand.

Some hon. Members: Agreed.

Clause 1, section 29, stands.

Mr. Nesbitt: Mr. Chairman, the agricultural sections in this tax bill are of great interest and concern to anyone involved in the agricultural industry either directly or indirectly. One very worrisome part is section 29 which the parliamentary secretary has suggested be stood indefinitely. As a result of this section being stood I shall not comment on the question of the basic herd other than to say I very much hope that when arrangements are made concerning how to deal with this particular section the government will agree to send it to the Standing Committee on Agriculture so that witnesses may be called and points of view presented in order that we may have a much better understanding of the dangerous possibilities of this section as it now stands. The parliamentary secretary has indicated that the government is very glad to receive constructive suggestions which would improve the legislation, and therefore I hope his seniors will follow out his good will in this regard. There may be other sections of this tax bill which should also be referred to the committee, but I will make my comments in that regard on another occasion.

One further argument for sending this bill to the committee is that while it is all very well for the government to say that the matter of tax reform has been under public discussion for many years—and we agree that it has—while there was discussion in very general terms of tax reform agriculture-wise and every other way when the white paper on taxation presented by the minister was before us, no one in the country, including members of this House, knew what the specific proposals were to be concerning tax reform in general and agriculture in particular until June 18 last. As has been mentioned in the House on many occasions, even the tax experts in the country do not understand the full implications of the bill. Certainly certain parts of the bill could be passed now, as has been suggested by my colleague the hon. member for Prince Edward-Hastings. I believe this would be a good idea because it would benefit the taxpayers in the lower income brackets and the elderly. Certain parts of the bill, however—not only section 29 but others as well—I believe should be referred to the Standing Committee on Agriculture because it is quite obvious that the bill has been drafted by law officers of the Crown who are not familiar with farming. This fact is quite obvious because of the way in which the bill is drafted. One cannot blame them because they are law officers of the Crown and it is their business to draft legislation. But it is difficult to draft good legislation when you are not familiar with the type of industry for which you are legislating. It would be very helpful if not only section 29 but also the other sections were referred to the committee.