

Income Tax Act

100 acres where he in fact resides and has no capital gain exemption applicable to the other two 100-acre units, or ought we to assume that it applies to all three together?

• (3:10 p.m.)

In addition, what happens when a man who owns three different 100-acre units decides to sell one unit which, because it may be near an urban area or for some other reason, has risen rapidly in value? What does he do? Do the exemptions apply to him or, under the section to which I have referred, would any exemptions be applicable?

I also want to refer to the dialogue on farm implements that we have heard today. The likelihood is pretty remote that farm implements will increase in value as the years go on, and not decrease. I suppose that if some historical significance could be attributed to certain of these implements, they could increase in value.

I now want to direct the attention of the parliamentary secretary to a problem that has frequently been discussed with farmers in my area and with those who are in the beef-raising industry. If the bill is to encourage farmers to move from a cash to an accrual form of accounting, I believe it follows that arrangements will have to be made for some transitional period—

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. member but I would point out that there are hon. members in the aisle who are carrying on some kind of caucus. I do not think that is proper.

Mr. McBride: Mr. Chairman, I do not know whether the plural of caucus is "cauci". Be that as it may, may I return to what I was saying before you so charitably interrupted me. I think we must provide an opportunity for the tax that will become payable when the individual farmer shifts from the cash to the accrual basis to be paid over a period of time. It is all right for the new farmer just entering the business. He can adopt the new system and it will be easier for him. He will just be starting out and he can abide by the new rules as he goes along. Most beef producers say that they do not really care which system is adopted. They say, "We are happy to pay under the accrual system if that is what you prefer but we cannot, all of a sudden, bear the cost in one year of an incredibly heavy tax burden which a changeover would require. They have a good point. I hope the parliamentary secretary will consider it and address himself to it as the debate goes on.

In conclusion, Mr. Chairman, may I repeat that the vast majority of farmers in eastern Ontario, certainly in northern Ontario and many parts of Quebec and the Maritimes—and it is well to remember that much agricultural production in Canada is in areas other than the Prairies—will, because of the exemptions built into this bill, not pay any capital gains tax. There will be no hindrance with regard to the transfer of land from one generation to the other. I hear groans from the other side of the chamber. They are mostly western groans, mostly prairie groans coming from people who do not know, as do the people of eastern Canada, what poverty in agriculture means.

Some hon. Members: Hear, hear!

[Mr. McBride.]

Mr. McBride: People say to me over and over again, "Murray, why do you do so much for the western farmer? What about the eastern farmer? Why do nearly all farm bills in this House concern themselves with the problem of western agriculture only?" One of my colleagues says that the people in Quebec say the same thing. I have been to ridings in western Canada. One night I had the privilege of meeting 1,250 farmers in Prince Albert. When I pointed this fact out to them they said, "Nobody has ever told us this. We thought that only in western Canada were there difficulties in the agricultural industry." I explained that Canada is a nation spread out over many thousands of miles and has within it about 9,900 so-called forgotten corners. I am sure every member of this chamber has heard constituents saying, "Why are we in the forgotten area? Why is our industry a forgotten industry?" and so on. I think we ought to look at the nation over-all. I see the hon. member for Annapolis Valley behind the curtains. Certainly his area comes into the category I have mentioned.

Mr. Horner: Mr. Chairman, will the hon. member permit a question?

Mr. McBride: I will be happy to, perhaps after the hon. member for Winnipeg North Centre has asked his question. I suggest that, as representatives, the members of the House must first and foremost be interested in their own constituencies. Yet would we not have a sad government and a sad governmental process, as made evident in this House, if hon. members were interested only in their own areas and were not prepared to take seriously the concerns of the people of other areas of Canada? I say to the committee, as one who has long been interested in agriculture, that the day has long gone when we could assume that the only concerns in agriculture have to do with prairie agriculture. I can just imagine some bright member saying, "That was spoken with eastern arrogance." That is nonsense.

An hon. Member: It is not, on the opposition side of the House.

Mr. McBride: Recently I had the privilege of meeting certain farmers in western Canada. Every farmer I met in Assiniboia constituency said to me, "We conclude that the government itself did not believe in the grain stabilization bill or it would have passed it. That is why we lost confidence in you. You should have used closure, but you did not." That, of course, was a different ball game to the one in which we are now engaged. The farmers of this nation want strong, decisive action. They want us to put through the bill we are considering and not to shilly-shally around with wishy-washy proposals and endless talk on issues which have been kicking around for months and, as in the case of this bill, for several years.

On that count, Mr. Chairman, I think it is good for the nation that we have set some parameters, so to speak, to this debate and that we are prepared to move forward and consider the issues at hand. I was interested to note that most of the speeches today seemed more relevant, more cogent and more concise than they have been hitherto.