

HOUSE OF COMMONS

Tuesday, November 9, 1971

The House met at 11 a.m.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Monday, November 8, 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 consequential upon the amendments to that act—Mr. Benson—Mr. Laniel in the chair.

The Deputy Chairman: When the committee rose last evening section 28 of clause 1 was under consideration.

On clause 1—section 28: *Farming business.*

Mr. Hees: Mr. Chairman, the sections we are considering now, those dealing with farm problems, are another example of the great number of complexities contained in this bill which require a great deal of examination not only by the House but by the public. Time is required to allow public bodies, particularly farm organizations in this case, to come to Parliament, appear before the agricultural committee and make submissions in respect of their views concerning how these clauses could and should be improved for the good of the farm population of Canada. Time is required so that the suggestions and submissions to be presented to the agricultural committee by the farm groups of Canada could then be thoroughly examined by members of the House in order to make sure that when this bill is finally passed the country will have good legislation and not an uncertain and unsatisfactory act as would seem to be the indication at this point in time.

It is for these reasons that the provincial governments, when they appeared here last week, strongly urged the federal government not to try to maintain its present timetable of completing the consideration of this bill by the end of the year, but to allow more time for thorough examination. These are the reasons the Official Opposition has urged the government to split this legislation into two bills. The first would consist of the exemptions and allowances found in the present bill. Such a bill containing those tax exemptions and allowances would pass the House quickly and become effective.

The Deputy Chairman: Order, please. The Chair feels it is not easy to intervene at this time, but although the hon. member's remarks are very interesting and concern the whole question of taxation he will note that the procedure normally followed in Committee of the Whole is for hon. members to restrict their remarks to the clauses before the committee at that time. The committee has agreed to

group different sections of the bill for the purpose of discussion. The hon. member has gone much beyond that and I hope he will come back as quickly as possible to the four sections which are before the committee at this time.

Mr. Hees: Mr. Chairman, I was just on the point of returning to the specific question of agriculture. I have simply referred to the reasons why it is desirable to deal with this legislation in a different way.

• (11:10 a.m.)

In reading the sections of the bill that apply to agriculture with which we are dealing at present, it is quite apparent that those responsible for drafting this bill are certainly not farmers, and not men acquainted with agriculture as a business and its associated problems. There is no doubt at all that in the past there have been flagrant violations by business corporations through loopholes which existed in the tax legislation of the day. But the flagrant misuse of the legislation in the past was not something that was done by farmers. It was something that was done by business corporations. There is no reason for treating farmers in the same way and penalizing them heavily for the sins of business corporations in the past, because in their zeal to close these loopholes so far as business is concerned, those who have drafted this bill have created hardships for farmers in general.

What this bill does is to decrease the incentive to stay on the farm and make a career of farming. Unfortunately this is taking place just at a time when there is a particular need to attract energetic, aggressive young men to stay on the farm and make a career of farming. After all, farming is still the basic industry of this country. The people of this country rely on farmers to produce the food they need during the year. If we do not make it attractive for people to remain on farms and continue farming, we will be in a sorry plight so far as the food we need is concerned as well as the food we export every year which provides us with very important revenue and foreign exchange.

In the province of Ontario today—I would think this would apply to most provinces but it certainly does in Ontario where my constituency is situated—the average age of farmers is between 45 and 55. It is apparent from this fact that young men are simply not farming today. They are leaving the farms, going to cities and making their careers there. The reason they are doing so is that it does not seem to the young people of today that there is an economic future in farming. One of the reasons for this view is the very unsympathetic attitude adopted by the federal government toward farming and farmers in general. One example is found in the fact that the government is engaged in the process of phasing out the basic herd concept. This is very damaging indeed to dairy farmers in Canada, as all dairy farmers know only too well. We have pointed this out to the Minister of Agriculture over