

*Income Tax*

I am conscious of the problem the hon. gentleman brings to me, but I have not been able to surmount the hurdles I have just described to him.

**Mr. Hargrave:** Mr. Chairman, I would just like to raise the last point again about this so-called small family business. The minister raised the point of the similarity between that and the small family incorporated farm. Why not treat them both the same? Is there anything wrong with giving the same option to the small family farm and non agricultural business below certain levels?

**Mr. Turner (Ottawa-Carleton):** The hon. member for Broadview said it would never end. I was thinking the same when I heard him and his colleagues earlier this evening. I do not want to tempt the hon. gentleman at all. I say that in a spirit of good humour which we all share at 8.45 p.m.

The revenue consequences would be too extreme for fiscal absorption at this stage. Again, it is getting very hard to segregate the holdings of those incorporated entities as between the farm, the farmland, the principal farm residence and other investments which are held by that corporation. I have not been able to overcome those difficulties. I have not closed my mind to the suggestion, but there is nothing I feel I can do to respond affirmatively to the hon. gentleman at this stage.

**Mr. Hargrave:** Mr. Chairman, in view of the fact that the minister has not closed his mind to this, would he be willing to stand this particular clause for an interval in order to give us an opportunity perhaps to help him come to a conclusion?

**Mr. Turner (Ottawa-Carleton):** Since I have been thinking about it for a year, Mr. Chairman, I feel that all I can do at the moment is advise the hon. gentleman that I do not have a remedy for him, and the standing of the clause would not improve the situation.

**Mr. Towers:** I think that if the Minister of Finance does not resolve this problem it will be with him to haunt him for the rest of his days because he promised to do this when the capital gains tax was first introduced. At that point in time he said that he would go along with it and try to resolve the problem. The question that I have for the minister is whether there is any plan of indexing capital gains for the first time turnover of the family farm as there is in the first time turnover of a home.

**Mr. Turner (Ottawa-Carleton):** No, Mr. Chairman.

**Mr. Hamilton (Qu'Appelle-Moose Mountain):** Mr. Chairman, I want to add a few words to what the hon. member for Medicine Hat has said, but first I would like to congratulate him for raising this point and also the minister for taking the time to speak to people actually in this predicament. I am going to come at it from a different way in the hope that I can add enough weight to the concern the minister is showing in this problem so that he will make some serious efforts to make the adjustment we all know is fair and equitable.

Ever since I have been around here we have received this same answer from ministers of finance that nothing of this nature can be done for the family farm because

[Mr. Turner (Ottawa-Carleton).]

immediately the same privilege would have to be given to those in small businesses. I would like to relate to the minister what I think is the most terrifying experience a rural member can have these days, and that is to go visiting the farms of this country and to talk with the woman of the house. Perhaps I could add something new to the arguments the minister could use with his officials who hold adamantly to the idea that nothing can be done.

This is the year of women. I see these buttons on the lapels of some hon. members asking: "Why not?" I am asking the Minister of Finance why not? This is what I find when I go to a farm home today. Because of the shortage of labour, whether the farm is in the east or the west, farmers cannot get people to work on farms. The only way they can keep their operation going with the type of expensive equipment they have to obtain is to find someone who is responsible to look after that expensive equipment and the only person the farmer can turn to is his wife.

Particularly at this time of year when farmers are filling out their income tax forms, it is more than the ordinary risk a politician should have to take to go into these farm homes, because the wife is just fuming. She has a long list of the hours she has spent driving the truck, running the grain loader, operating the tractor, running the combines, loading grain into the bins. She has a list of hours that would make a hired man in my day envious at having such a claim to send in to the boss.

The farmer's wife sits there and watches her husband go through this detailed business of filling out his income tax form, and she cannot even claim for the wages she has earned the hard way, in addition to doing the ordinary chores expected from the distaff side in looking after the family, the house and so on.

The husband sits there with his shoulders hunched in mortal terror, like the politician who is visiting, fearing that the wife will go beyond the bounds of sanity and really let loose. When I sit there and try to explain that the advisers to the Minister of Finance keep saying that it will cost the treasury a lot of money if we give this to farm families because they might have to give it to small businesses as well, it will not wash.

This is the problem the rural politician has in this situation. It is not the revolution of women's liberation in the cities that terrifies the politician; it is the deep anger of a woman who has worked 3,000 or 4,000 hours in a year and cannot even collect the wages she should be getting.

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The lawyers get on television and hold out to these farm families the promise that, if they incorporate, then the woman or the children who work on the farm can be paid. Of course this can be done for a small legal fee. They are told that if they incorporate they pay lower taxes on the first \$100,000 and pay their legitimate labour fees on the farm. But if they pass the farm on to the next generation they lose the tax free provision in this section.

The minister lives in a city riding where it is pretty hard for a husband to find 2,000 or 3,000 hours of hard labour for his wife to perform during the year. Some of us, however, have to go out and meet those ladies on the farm, when they are tired and worn out, and give them the explana-