

Mr. FAIR: I asked the minister some questions on the resolution stage and it was impossible for me to discuss those questions until I got the answers. I feel that I should have a couple of minutes now. If I do not take time now, I can take it on third reading, so that it is up to the committee entirely.

Mr. GOLDING: As I say, the Chair is in the hands of the committee.

Mr. ABBOTT: I have no objection, but I think the discussion should be restricted to comments by the hon. member for Battle River upon the questions which he asked me and to which I have just given him answers. I do not think we should reopen this whole debate. Perhaps his position is fair since I asked him to permit a delay in getting the answers to his questions, but I suggest that we should not open up the whole discussion.

Mr. FAIR: I wish to thank the minister, particularly for saying that my position is fair. I believe it is fair. As one of those who have criticized the administration of the income tax legislation, not because of the income tax itself because I believe that, as far as taxes go, the income tax is one of the fairest that can be levied, I feel I should say something. I am not in favour of the present levies or the present exemptions, and I want to make that definite and clear.

I want to commend the Department of National Revenue for having instructed their inspectors to attend meetings for the purpose of educating the farmers. Earlier in the discussion I advocated radio addresses or perhaps the putting out of a booklet by either the Department of Finance or the Department of National Revenue giving farmers instructions along these lines. That would help to clear up a lot of the misunderstanding and perhaps hard feelings which exist.

On April 14 I received a return in reply to a question which I had asked in connection with instructions issued to assessors of farm income tax during each fiscal year from 1939-40 to 1945-46. This return contains brief information. One set of instructions dealt with the transfer from cash to accrual basis and the other one dealt with wheat participation certificates. Those were issued in 1943-44 and 1944-45. I do not believe I have been given all the information for which I asked. If instructions have been sent out to the different officers, perhaps the Minister of National Revenue could at his convenience, supply me with copies for the years mentioned.

The question of uniformity of administration came up, and I think we have had evidence enough from the different administrative

[Mr. Abbott.]

districts to show that there is no uniformity of administration. In connection with brushing and breaking new land, I am quite satisfied that if a farmer undertakes to break twenty, thirty, forty or fifty acres of land that expense should be allowed in the year in which it is incurred. Unless that breaking is done, he cannot produce any crops. As I pointed out when dealing with this matter before, if the farmer hires help during the year to do that work there is no question about those wages being allowed, but if he hires a contractor to come in and do the work, then the department sees fit not to allow that expense. I feel that any expense incurred in a particular year for the clearing or breaking of land should be allowed as a current expense for that year.

I am not going to say anything more at this time because quite a little time has been taken up, but I should like to ask the Minister of National Revenue one question. Will there be sent out to the different administrative districts instructions which will line up with the discussion we had here yesterday and today in connection with farmers' income tax?

Mr. McCANN: Yes, we will see to that.

Mr. KNOWLES: Has consideration been given to changing the name of this act?

Mr. McCANN: That is in the new act.

Mr. SMITH (Calgary West): May I say one sentence which may perhaps be a bit out of order? I am sure the minister will be glad to hear what I am going to say. I want to tell the committee that four oil wells are in active production in the Leduc field. They have established a front of three and a quarter miles in length, with an open flow of roughly one thousand barrels apiece. They are now producing roughly one hundred barrels apiece on a choke of from three-sixteenths to three-eighths of an inch.

Bill reported.

EXCESS PROFITS TAX ACT, 1940

Hon. DOUGLAS ABBOTT (Minister of Finance) moved the second reading of Bill No. 270, to amend the Excise Profits Tax Act, 1940.

Motion agreed to on division, bill read the second time, and the house went into committee thereon, Mr. Golding in the chair.

On section 1—Minister may direct standard profits to be ascertained by board of referees where profits from a business substantially different.