

Income Tax Act

measure, and the amount it will collect will be a pittance compared to the other sums.

Is it the intention of the government to get rid of the farmers and the small businessmen? This bill is designed to broaden the tax base. It certainly does not bring about more equity because it is designed to extract more per individual and not less. The implementation of the bill unfortunately will prove this. So far as I am concerned, my feelings for Parliament have reached a new low because we have a so-called reform bill brought in by this government which I submit is a humiliation to the people because many of its clauses were never discussed or debated and yet were put through because a certain cabinet minister decided that on January 1, 1972, this measure should be proclaimed. In addition, I resent very much the fact that the Minister of Finance stood in his place and ridiculed my leader for his attempt to divide this bill. He said this was impractical, impossible and not plausible. We did not suggest this without a great deal of thought. We consulted the foremost tax and legal people in this country. Yet this minister, who has never yet made one accurate economic forecast, in order to leave Parliament with one accurate forecast insisted on closure to fulfil his forecast that this bill would be passed by January 1, 1972. I think this is ridiculous.

• (5:10 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION**SUBJECT MATTER OF QUESTIONS TO BE DEBATED**

The Acting Speaker (Mr. Laniel): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Halifax-East Hants (Mrs. McCleave)—Canadian foreign aid program—shipment of goods through Canadian brokers; the hon. member for Vancouver-Kingsway (Mr. MacInnis)—External Affairs—fisheries treaty with Norway—request for opportunity to discuss terms; the hon. member for St. John's East (Mr. McGrath)—Regional Economic Expansion—suggested resignation of minister.

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INCOME TAX ACT

The House resumed consideration of the motion of Mr. Benson for the third reading 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, and the amendment of Mr. Lambert (Edmonton West) (p. 10363) and the amendment to the amendment of Mr. Burton (p. 10370).

Mr. A. P. Gleave (Saskatoon-Biggar): I should like to again bring a few things to the attention of the government. One wonders how effective it will be since we are operating under a time allocation motion. It is rather like playing the game of hide and seek, ready or not we will be caught. This is the sort of game the government is playing. The time has been called, the decisions have been made.

[Mr. Danforth.]

Some of the questions that were raised in committee, particularly those which applied to the farm sector, have not been answered. I asked some questions with regard to how the valuation of land would be established, and back came the answer: fair market value. What is it? The fact of the matter is that they do not know. Not too long ago the Minister of Agriculture (Mr. Olson) brought forward an adjustment program under which he said that land would be transferred at 90 per cent of the fair market value. The minister is shaking his head, yet this is what is said in the document. Did he not read it?

Mr. Danforth: He has not read it.

Mr. Olson: What you are saying is not correct.

Mr. Gleave: I do not know how one arrives at 90 per cent of the market value because it drops when you assess it.

Mr. Olson: I will be happy to explain that, Mr. Speaker.

Mr. Gleave: Yes, the minister will be explaining it but not in the House; it will be to the country.

Mr. Olson: That is what I was doing last week.

Some hon. Members: Oh, oh.

Mr. Burton: That is whistling in the dark.

Mr. Gleave: I think it was my colleague, the hon. member for Regina East (Mr. Burton) who pointed out that in many cases when the government is attempting to establish the actual market value of the land, at least in western Canada with which I am familiar, they will be working on marginal value. They will not be working on full value but on the value of odd quarter sections. I do not expect that the government will accept what I say. I have here in my hand the report of a chartered accountant of reputable standing in Saskatoon. Here is what he says with regard to this matter:

farm land—fair market value may be difficult to establish at this time because of the relatively few sales of farm property in most localities in the past two or three years.

He is pointing out the difficulty that might occur when you start establishing the market value of a farm property. So, according to the government, market value is all they are prepared to use. They are not prepared to use the assessment of the actual productive value of that asset which they were asked to include, to they will proceed with this one method which has been described to them as quite unreliable, and which may very well work an injustice on the farmers themselves when assessing capital gain. Nonetheless, the government is prepared to proceed, and has refused to accept the opinions of those in the House who make their living off farms and who have some personal knowledge of this. I expect also that they will refuse to accept what I have quoted to them from a letter from an accountant who has spent a great deal of his time filing returns and working on matters related to farms. Here is his advice to farmers:

If you have knowledge of any farm land in your area which has been sold the last year or two, and which is comparable to your land in quality, make a note of the legal description of the property, and the parties involved in the transaction.