

*Income Tax Act*

are 13 months later at a time when that bonding will be stopped as of March 31, as I understand things stand now. Many people still do not know that that advantage is available to them.

I will cite an example of an incorporated farm. There are many of those. Owners of these farms might want to build a new barn. First, banks not knowing it would be law were reluctant or not giving proper direction, because they did not understand what the opportunities were. Accountants were in the same position of not fully understanding all of the ramifications. But now people are finding out that these things are possible and we are in the middle of winter. In my area about eight feet of snow is on the ground and people are finding out that they can get a bond to build a barn. But let me point out that on March 31 a person can only take funding for that portion of the barn that is actually erected. Money cannot be obtained for the materials bought, only for whatever portion is actually standing.

I do not know whether the parliamentary secretary or the minister understand that point, but I ask them to look into that. Perhaps they could find some way to extend the March 31 deadline. Even if they do not wish to extend it beyond the time period, perhaps they could look at it in such a way that people who are applying for these bonds, who are reasonable and honest about what they want to do but cannot do it because of time and weather, are given an opportunity to take full advantage of this interest rate level which is important if people are to expand their business or continue to survive in what is otherwise a hostile economic environment. I ask the minister, through the parliamentary secretary, to look into the point I have just raised. I also ask if he could look into extending the date beyond March 31.

I understand from the Department of Finance that this is anticipated to cost the government, in lost revenues, \$50 million per month for each month it is functioning. It is my understanding also that it was between \$200 million and \$400 million which they feel has already been lost in lost revenue. I seriously question where a figure like that could come from, and I wonder how you estimate what is lost in revenue as compared to what is generated in additional revenue because people are doing things and business activity is created. I do not understand how someone could calculate that. I ask the minister whether there is an explanation. If there is, I will be happy to try to understand it.

There is a brief being prepared on behalf of the Canadian Cattlemen's Association. Mr. Charles Gracey has been instrumental in helping to draw up this brief. A motion has been drawn up supported by my local Bruce County Cattlemen's Association on behalf of the farm community across Canada, concerning this bond. The Canadian farm community has asked if this measure could be extended to unincorporated farms. This is particularly important for cattlemen. It is a subtle point, but it is confusing to a lot of people. I understand they are not able to claim interest charged against their income tax if they take advantage of this bonding. That is another area which will have to be balanced. The Cattlemen's

Association request will have to be considered in the light of that as well. Will the minister look at that and consider that request?

In many cases there is no difference between an unincorporated and an incorporated farm. On the same concession road in any part of Canada we could find a farmer who has 200 acres and has incorporated for a variety of reasons, while across the road there is a farmer with 400 acres, who may be much more productive, which has nothing at all to do with being incorporated, but he cannot take advantage of this opportunity. That is a discrepancy and an inequity.

My second point concerns volunteer firemen. This concerns firemen in my area. Some time in the past we had ongoing discussions with a parliamentary secretary who is not now in the House of Commons. Those discussions were to help develop this increase which has occurred in their tax deduction. I think it is clear that the government has continued to support the measure, and it means that it understands the essence of volunteer firemen and that these people make a contribution, often at their own expense, which is valuable to smaller communities in Canada. I believe there are 20,000 firemen who are making a contribution on a volunteer basis. They do deserve the kind of respect suggested here.

● (1750)

I also make the point that this has not been duplicated in other areas of volunteer work. I suggest there is a difference. I suggest also that the historical fact is that they did have a deduction. A concession was made at one time. It was quite reasonably made on the basis of the contribution these people were making to their local communities. It was a very worthwhile effort. I support the government's measure there. I suggest it continue to look at whether there is a proper level of funding for that.

I would like to spend a little time on the energy conversion grants. This is another example. I do not know whether more information has come out in the last week or two concerning this program. The idea of the grant is good, and I support it. It helps to get away from oil, something worth while. It frees up fuel oil which can then be upgraded to gasoline, or whatever. In that sense it is a worth-while measure and should be encouraged. The fact that it is taxable is another matter. This is a serious consideration. It means we are reducing the net amount of the grant by 15 to 50 per cent because it is taxable. If we had the tax credits we were talking about in addition to this, there would not be much argument. However, the fact is we do not. I wonder whether the taxable nature of this will stop the program from having the full impact it might have otherwise had. We very much want to encourage the program and the subsidies it will provide.

The fact that this program allows us to make a gradual conversion is good. The fact we can take 50 per cent of it this year and 50 per cent next year, if we want, is good. The fact that it can be related to solar energy at a lesser percentage is also good.