

*Oral Questions*

Mr. Stinchcombe in Toronto? Does he approve of what Mr. Stinchcombe did?

[Translation]

**Hon. Pierre Bussières (Minister of National Revenue):** Mr. Speaker, I have already pointed out that Mr. Stinchcombe put a stop to this practice. Furthermore, I do not intend to pass judgment on a new case being brought to my attention, because I have not had time to look into the matter. Since as in the first case, the practice has been stopped, I would like to point out to the Hon. Member that we have a group of experts, the Woods Gordon group, that is conducting a study at the present time and looking into departmental practices, even those that have been stopped, including a practice aimed at rewarding people for outstanding performance. The study will cover those occurrences, and the group will then be in a position to submit an objective assessment.

[English]

## REQUEST FOR REPEAL OF SECTION 31 OF INCOME TAX ACT

**Mr. Lorne Greenaway (Cariboo-Chilcotin):** Mr. Speaker, my question is directed to the Minister of Finance who admitted last week in the Budget speech that the application of Section 31 of the Income Tax Act is causing problems. Since 1978 a Canadian Bar Association joint committee on taxation and the Institute of Canadian Chartered Accountants have advocated repeal of Section 31, saying it is ambiguous, poorly drafted, and that the issue is clearly addressed under Section 248 of the Act. Canadians are suffering because of inconsistent and arbitrary application of Section 31 by Revenue Canada. The Minister often tells this House that he always seeks advice before bringing down a Budget. Why did he not take the advice of Canada's lawyers and chartered accountants on Section 31?

[Translation]

**Hon. Marc Lalonde (Minister of Finance):** Before tabling my Budget, Mr. Speaker, I did meet with a group of representatives of the two organizations mentioned by the Hon. Member. We discussed this question and it was generally agreed that the implementation and interpretation of Section 31 referred to by the Hon. Member do create difficulties. Everyone agreed that there is a real problem which must be addressed and that we must avoid extending preferential treatment to so-called hobby farmers to the detriment of full-time farmers, in the sense that if too many farms are bought by people whose principal occupation is not farming, this will have a speculative impact on the price of agricultural land and harm full-time farmers. It is a real problem with which we must come to grips, and that is why I said I will establish an advisory committee of farm organizations and other groups to look closely into that situation before making changes which will not be harmful to full-time farmers, namely those whose sole occupation is farming and who want their children to take over their operations.

[English]

**Mr. Greenaway:** Mr. Speaker, that is the same kind of action we got with the fishermen in Newfoundland two years ago when this Government appointed a one-man commission, a Mr. William Rowe, to report on their problems. His report was never published or acted upon. That is the kind of action we get from over there; nothing but smoke.

## REQUEST FOR MORATORIUM ON PROSECUTIONS

**Mr. Lorne Greenaway (Cariboo-Chilcotin):** Mr. Speaker, my supplementary is directed to the Minister of National Revenue who knows the problems Section 31 is causing. There are cases before the courts, and we now have a consulting group to be appointed. The Minister of Agriculture said just a few weeks ago that the Section should be drastically changed, or preferably wiped off the books. That is what the impotent old bull said to the people of Canada. Will the Minister call a moratorium on these cases until the consulting body has reported, so that when Section 31 is repealed or amended these people who are caught in limbo will not suffer?

**Hon. Marc Lalonde (Minister of Finance):** Mr. Speaker, I would like to remind the hon. gentleman that we have had a number of consultative groups doing work on the Budgets over the last two years I introduced, which have produced excellent reports and have been put into effect. This has taken place with regard to the taxation of charities and foundations. This has taken place with regard to research and development, investment tax credits, and the Indexed Securities Investment Plan. All of this has taken place in the last year. It has led to action by the Government which has been beneficial to all concerned. I intend to proceed with the process of consultation with and participation of those most involved, and with action which will have the support of all concerned.

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● (1440)

## BILINGUALISM

## MANITOBA CONSERVATIVE PARTY'S AMENDMENT TO CONSTITUTIONAL RESOLUTION

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is for the Prime Minister. Last fall all Parties in the House united to pass a resolution encouraging the Manitoba Government in its initiative to protect the rights of the French-speaking minority in that province. The Conservative Party in that province has prevented the Legislature from meeting to pass the necessary legislation and the constitutional amendment necessary to protect those rights. Earlier today the Leader of the Conservative Party in Manitoba proposed a subamendment which would restrict the constitutional amendment to validating the laws which have been passed only in English over the last hundred years. That amendment by the Conservative Party in Manitoba would not protect the existing