

Income Tax Act

firemen across this nation who contribute much of their time to ensure the safety and well-being of our citizens in the towns and villages, and particularly in the rural sectors of Canada. I am pleased to see this exemption included in this legislation. Again it is retroactive to January 1, 1980.

Another of the priorities of this act is to recognize the needs of the family operated small businesses which could include farmers, fishermen and all types of unincorporated businesses where husband, wife and family members work together as a team.

One of the reasons I entered federal politics was out of a sense of obligation, to ensure that the quality of life in rural Canada was preserved, maintained and enhanced. That quality of life is found in the towns, the villages and the rural countryside where there is a different set of values from those in the larger centres; a quality of life that reflects and respects the needs of others, a quality of life that is conducive to working together with a deep sense of appreciation and accomplishment.

As I travelled across this nation on many occasions through the towns and villages, past the family farms, I could not help but be impressed by the fact that so much time, effort and ingenuity had been invested in developing this nation. Canada was not developed from urban sprawl but from a strong and vibrant rural base which has spread from coast to coast. It was developed by people who invested and worked to improve and maintain their operations, people who believed in their creator, people whose first sense of obligation was the family unit.

Rural Canada is not only a way of life for those thousands of individuals who have chosen to work, to live and to raise their families away from the crowds and the hectic pace of the large city, but rural Canada is the sound economic base of all of society. Rural Canada and its contributions to our economy makes Canada one of only four nations in the world that are net exporters of food.

Whether we travel in the east, in central Canada or in the west, that quality of life is the same, and it provides an education for life. No other occupation teaches so much about birth, growth and maturity in such a variety of ways, about the splendour of the sunrise, the rapture of wide open spaces and the exhilarating sight of land greening each spring. This is the part of Canada where a person expects to give more to the world than he takes from it, where life is measured by what he has done for his fellow men, and as he sums up his days, he can stand tall and feel pride in the life he has led.

● (2040)

Small businesses and farms are interdependent upon each other to provide services and food for this nation. Small businesses supply 42.5 per cent of the jobs in the private sector. Gross farm receipts last year were over \$14 billion, and we exported over \$6 billion of this to contribute to our balance of trade, yet only 1.3 per cent of our total budgetary expenditures are spent on the agriculture sector. This is because farmers and small businesses are the product of a society dedicated to the work ethic and the ability of individuals to

work co-operatively for the common good. In spite of the fact that our percentage of the total expenditures is so low, we are the most productive in terms of output per man in the agricultural sector of any nation of the world, and our research in this sector is among the best. We have provided our people with the best quality and the lowest cost food in the world, but Canadian farmers are the least subsidized of any nation and have the most stable income. Perhaps some day those producers will be like those brave people of World War II described by Sir Winston Churchill when he said, "Never have so many owed so much to so few."

It has been unfortunate that through the years the very people and entrepreneurs who epitomize the essence of rural Canada and the small business service sector have been discriminated against by our tax structure. I refer to spouses affected by the attribution rules which in the past did not allow a taxpayer to deduct as a business expense remuneration paid to a spouse who worked in an unincorporated business. Also it should be noted that any remuneration received by the spouse is not considered to be her income. As well, where a member of a partnership employs his spouse, a proportional part of the spouse's remuneration relating to her share of the business is deemed to be his income and not that of the spouse. Although I am mindful not to assume that the spouse was always the wife, in the vast majority of instances this has been the case. The law has been seen to discriminate against thousands of women who worked with their husbands in the operation of their family farms or in the establishment of small businesses.

The ways and means motion introduced on April 21, 1980, by the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) included the proposed amendment to the Income Tax Act which would remove the attribution rules with respect to the remuneration received by a spouse of a taxpayer employed in his business or partnership. Draft legislation regarding this matter was prepared and published in August. I hasten to add that appropriate amendments to the Canada Pension Plan have also been prepared.

So that no further inequity or hardship may be encountered by the people affected by the law, amendments to both the Income Tax Act and the Canada Pension Plan are intended to be retroactive to January 1, 1980. I am pleased to endorse this major change in the Income Tax Act which will be of benefit to so many Canadians from coast to coast.

Another provision of Bill C-54 is the extension of the investment tax credit to a level of 50 per cent for specified regions of the country. I would anticipate that such regions, when defined, would be areas which have suffered hardships over the years for many reasons. Some of these regions no doubt would be victims of modernization and advanced technology which has rendered their particular industries obsolete, or it may be a region of this huge nation which, due to geographical location, has not developed as quickly as the rest of Canada.

Regardless of the reasons, the existing investment tax credit is a measure which allows for a tax credit for equipment