

*Income Tax*

There are thousands of other matters. There is one other comment I want to make before coming to a couple of specific cases. That is the way we got into this particular debate. It is worth while noting that we had a procedural gimmick invented, simply because the proceedings of this House are being televised, in order to present a budget speech. True, the House leaders eventually agreed to the use of that gimmick. However, four or five days in advance of the Minister of Finance (Mr. Chrétien) delivering his budget speech, arrangements were made with the CBC for that time to be blocked off. I do not know whether they blocked off "As the Stomach Turns" or what. It was not "As the World Turns". However, as he stood up, the stomach turned. That was all done by prearrangement with the CBC.

In addition, equal time was not allotted to the opposition as is normally the case with a budget speech. When I look back to October 20, I see that the Minister of Finance began his budget speech at 2001 hours. He went on until 2038, approximately 38 minutes. I was not in the chamber that particular night. However, I watched it over television for that particular reason. I wanted to see whether equal time would be accorded to the opposition. It was not. The hon. member for York-Simcoe (Mr. Stevens) stood up at approximately 2038 and, gentleman that he is, resumed his seat at about 2053 in order that the hon. member for Waterloo-Cambridge (Mr. Saltzman) could speak within the hour.

● (1812)

On a contribution of this importance to the Canadian people, there should have been two hours taken out of CBC's time so that all parties would have had equal time to make their comments. It was a gimmick, pure and simple, three or four days after the introduction of television to this House in order to exploit that opportunity, and I find it an unacceptable manipulation by the government of the rules of the House, taking advantage of the situation to profit from the installation of the television facilities.

I feel the CBC ought to have been asked to set aside 1½ hours or two hours that evening so that all parties might have had an equal opportunity. In fact, I remember now that the hon. member for Waterloo-Cambridge did not get on live from the House. The hon. member for York-Simcoe was interrupted very shortly after he had started, and the CBC went out into the entrance hall and took video-tape and broadcast live the leader of the NDP. This is an improper exploitation of the rules of the House, and it is quite unacceptable.

I have spoken about the need for an index. This brings me to two of the matters I want to speak about particularly. One is the capital gains provision in this bill with respect to properties being rolled over from a sale and the acquisition of another property. The provisions relating to this are to be found on page 27 and page 4. It is section 6 on page 4. An accountant or other person who is called upon to advise a client about this area has to explore this extremely complicated bill without the help of an index.

[Mr. Munro (Esquimalt-Saanich).]

When the matter of the capital gains provision was first brought to my attention, I turned to page 27 only. Then I found I had to refer to page 4, because that page is relevant. One element which has to be taken into account by anyone thinking of changing his property is the definition of a taxation year. The words "taxation year" occur right at the top of section 18, the new section 44 on page 27. But whose taxation year is involved? Is it the government's year, or is it the businessman's taxation year? I believe the businessman does have an option to set up his own taxation year, but that is not clear from the section. When we get to clause by clause study, I will return to this matter and ask for definitions. Whose taxation year is it which section 44 has in mind?

● (1817)

Then there is the time period which is to be allowed between the acquisition of new land and the sale of the old. What is the time period allowed? I think I have that question straight in my mind by doing some collation of clauses on page 27 and page 4, but I am not sure. I want to be absolutely sure, and so does a man selling a piece of commercial land; he wants to be darned sure he is not going to make a mistake.

The other matter he has to take into account is the order of the sale and acquisition operation. In this particular operation, a businessman obviously has to take advantage of situations that occur. A piece of land may be coming on to the market; he may bid on it and acquire it before he has sold his old piece of land. I never thought I would be talking about milk and the milk problems of British Columbian farmers who are in my riding, but supposing a man has to acquire a new piece of land before selling his old piece—what about the interest charges on the bank loan he may have to make in order to acquire the land; settling up once he has sold his old piece of land? Are those charges a legitimate business expense? Then, what about other charges that he may have? Supposing he sells a piece of land before acquiring a new piece of land, what does he do with his cattle meanwhile? He will have to pasture them somewhere. Would this be an expense which is tax deductible when he changes from one piece of property to another?

Then there is the measure of a capital gain. Supposing the properties are of different sizes. Supposing a farmer wants some bigger pasturage, or he needs some better hay land and he has to pay more for that land than he receives for his previous farm. Is this done on a unit basis, or is there just a roll-over of the amount? Supposing for some reason or another, because of technological developments, he gets a smaller piece of land and makes a big profit on the sale: is this going to be considered a capital gain? I think these kinds of questions should be answered, and when we get into clause by clause study I am serving notice that we will require answers at that time.

I should like to quote from a letter which I received from this man's accountant. He writes:

In visualizing the exchange of properties we believe there are two basic situations that a taxpayer could find himself in. These two situations are: