

was just a practical solution to a complex problem. Why was I honoured to represent the municipal view in this very critical question? I asked what was going on in other areas of Canada, and the answer, of course, Mr. Speaker, was that nothing was happening. Or, at least, let me say not enough was happening.

I do not wish to imply that innovations are necessary in the National Housing Act. We must examine the possibility that no innovations are necessary. We must—

Mr. Deputy Speaker: Order. Perhaps I should now call it five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: 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 Vancouver-Kingsway (Mrs. MacInnis)—Social security—Suggested financial assistance to low income families to provide proper nutrition—Provision of guaranteed minimum income; the hon. member for Scarborough East (Mr. Stackhouse)—Penitentiaries—Failure of John Charron to return to Collins Bay following release on one day pass—Reconsideration of parole policy; the hon. member for Victoria (Mr. McKinnon)—Penitentiaries—William Head—Possible conversion to medium security institution—Request for consultation.

It being five o'clock, the House will now proceed to the consideration of private members' business, as listed on today's order paper, namely notices of motions.

Mr. Reid: On a point of order, Mr. Speaker, following the usual consultations I think there would be unanimous agreement to proceed directly to private members' notice of motion No. 15, standing in the name of the hon. member for Moose Jaw.

Mr. Deputy Speaker: Is it agreed that the house proceed to the consideration of notice of motion No. 15, standing in the name of the hon. member for Moose Jaw?

Some hon. Members: Agreed.

• (1700)

PRIVATE MEMBERS' MOTIONS

CANADA PENSION PLAN

SUGGESTED AMENDMENT REGARDING CONTRIBUTIONS BY FARMERS

Mr. Doug Neil (Moose Jaw) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Canada Pension Plan Act

Canada Pension Plan

so as to allow farmers the option to make Canada Pension Plan contributions regardless of their net income.

Mr. Speaker, I am pleased to have the opportunity this afternoon of speaking on a motion I submitted to the House on January 12. The motion reads as follows:

That, in the opinion of this House, the government should consider the advisability of amending the Canada Pension Plan Act so as to allow farmers the option to make Canada Pension Plan contributions regardless of their net income.

The subject matter of this motion is of vital concern not only to the farmers of western Canada but to farmers throughout the whole country, and anyone who is involved in the preparation of farmers' income tax returns, particularly in western Canada, will tell you that it is almost an annual point of discussion when taking instructions for the preparation of their income tax returns. Farmers' incomes are subject to many variables. They are at the complete mercy of mother nature, drought, hail, frost and floods can minimize or eliminate farm production in any given year. On the other hand, mother nature can be kind, with production unbelievably high.

A farmer's income depends on the international market, and in years of plenty in other grain producing countries he finds the price of his product very low, whereas if other grain producing countries have experienced reduction in production the farmer finds the price of his product very high. Whether he receives the high price for his product, of course, is dependent on the policy of the government or the wheat board in entering into contracts, either short or long-term, with importing countries throughout the world. The result is that a farmer does not know from year to year what his income will be, and he has many years with no net income and other years in which his net income is very high.

For many years under the Income Tax Act there has been a provision allowing a farmer to average his income over a five-year period. I would suggest that this is a very sound policy, one which has the effect of modifying the tax inequity which exists where there is a wide fluctuation in income. I do not know how many members are familiar with the method employed in determining the average income, but I should like to give a brief explanation. The averaging period consists of the year of averaging and the four immediately preceding years for which the farmer has filed income tax returns on time. The averaging period cannot include a year that was included in a previous averaging period and, if the farmer did not file his return on time for a particular year, or if he was not involved actively in farming or fishing in one of the years of averaging, he can use five of the six years, including the years of averaging to determine his average net income.

Having determined the five years which can be used for the averaging of income, the result is divided by five. By deducting the personal exemptions for the year, the result becomes the average taxable income, and the tax for each year is determined by using the tables for each of the particular years. Quite often, with the wide variation in income, you find a situation in which a farmer has for three or four years had no net income, and for one or two years has had a very high net income. The result is, of course, that he pays no tax in the no net income years, and