

auditing hundreds of farmers and ranchers to determine if they should be assessed back taxes. Central to the determination of whether or not back taxes are owing is the Section 31 classification of an agricultural operation as, first, full-time farming, second, part-time farming or, third, hobby farming.

Because of the current recession, many full-time farmers have been forced to seek employment off the farm in order to meet high costs. In some cases, income off the farm has far exceeded on-farm income, as prices for livestock, especially cattle, have been depressed. Revenue Canada auditors are presently reclassifying these operations as part-time, thereby limiting the losses a farmer can deduct to \$5,000 a year. They are also moving farmers who were in the second class into the hobby farm class where no losses are deductible. In many cases, four years' back taxes are being assessed.

This situation is clearly inequitable. The farmer or rancher who has tried to adjust to the recession by establishing an alternate source of income in an attempt to remain solvent, is suddenly hit with taxes he can ill-afford. Many will be forced to sell out to pay this unexpected tax levy. The federal Government is unfairly profiting from the devastation wrought upon those in the agricultural sector by the recession.

Information provided by those who have already been audited indicates that Revenue Canada has no clear guidelines by which the three classes of farmers can clearly be delineated.

**Madam Speaker:** Order, please.

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[Translation]

### YOUTH

#### REQUEST THAT SUBSIDIES FOR KATIMAVIK PROGRAM BE INCREASED IN NEXT BUDGET

**Mr. André Maltais (Manicouagan):** Madam Speaker, yesterday, several Hon. Members had the opportunity of meeting the young people who were taking part in the Katimavik program, I believe that we should ensure that when the next budget is brought down, substantial amounts are added to the funding for the Katimavik program which has done so much for young people and which deserves the unqualified support of the House of Commons. I would appreciate the Minister of Finance (Mr. Lalonde) considering this possibility. In addition, during International Youth Year in 1985, it would perhaps be a good idea to have public hearings where young people would appear before the House of Commons to air their views. What youth is should be defined by young people for young people. I think it would be very interesting if here in the House, we could take a close look at their aspirations, because as was said earlier by the Hon. Member for Témiscamingue (Mr. Tousignant), we must consider what we are going to do about job creation, especially since within the Progressive Conservative Party, there are already several people looking for a job.

S.O. 21

[English]

### THE LATE LEONARD NICHOLSON

#### TRIBUTE TO FORMER RCMP COMMISSIONER

**Mr. Donald W. Munro (Esquimalt-Saanich):** Madam Speaker, Canada lost an outstanding citizen on Tuesday, when Leonard Nicholson, Commissioner of the RCMP between 1951 and 1959, died in hospital in Ottawa.

• (1410)

Canada can be grateful and proud to have had such a man in such a position of influence at such a critical time, in the aftermath of Gouzenko. New Brunswickers can be proud of a native son who played such a prominent role in this country, not only in the maintenance of law and order in this country but quite as importantly in respect for the law—

**Madam Speaker:** Order, please. I have to remind the Hon. Member that statements at this time are not to be used for this kind of tribute to a person, no matter how worthy that person may be. If the Hon. Member does not have a statement on an issue which he feels is important, I am afraid I will have to declare him out of order.

**Mr. Munro (Esquimalt-Saanich):** I do think it is important to pay tribute to a man who has been Commissioner—

**Madam Speaker:** I am sorry. There are provisions whereby, in other places and other circumstances, this can be done. I sympathize with the Hon. Member, but I cannot allow it at this time.

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### CUSTOMS AND EXCISE

#### SUGGESTED INCREASE IN PERSONAL EXEMPTION FOR RETURNING CITIZENS

**Mr. Bill Yurko (Edmonton East):** Madam Speaker, on June 30, 1981, I moved a motion in this House. I want to repeat it because of correspondence that I have received lately.

In view of the fact that Canadians travelling abroad on returning home after prolonged vacations are permitted \$150 worth of duty-free purchases per person if a person has been out of the country for seven days, and in view of the fact that this amount has been badly eroded by inflation over the last decade and barely covers vacation expenses in most cases, I had moved, seconded by the Hon. Member for Erie (Mr. Fretz), that the Government give serious consideration to increasing the duty-free purchasing abroad to \$250 per person if a person has been away for seven days or longer.

Since most Canadian foreign travel is to our neighbour, the United States of America, and since Canada has a very favourable balance of accounts with the United States, I ask that the Government give this matter serious consideration and bring forth such an adjustment in the next federal budget.