

S. O. 21

INCOME TAX

BENEFICIARIES OF CAPITAL GAINS TAX EXEMPTION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, yesterday the New Democratic tax probe revealed that since the Government virtually eliminated capital gains taxes in 1985 the chief beneficiaries have been the 1 per cent of tax filers earning over \$50,000. Fifty-seven per cent were wealthy investors.

Wealthy investors who earn over \$250,000 will receive, on average, a tax break of \$28,700, \$8,700 more than the average Canadian earns in a year. Only 8 per cent of those using the capital gains exemption were farmers. By 1990 \$5.6 billion will have been lost to the federal Treasury because of this Tory tax boondoggle.

A fair and progressive tax system, as advocated by the New Democrats, would allow farmers, small businessmen and home owners an exemption on capital gains at little cost to the Treasury. However, farmers, small businessmen and home owners were not the people the Tories had in mind when they introduced their \$500,000 capital gains exemption. The Tories, as usual, had their relatives and Bay Street friends in mind.

I call upon the Minister to bring in a more realistic capital gains tax exemption plan when he reforms the tax system this spring.

* * *

[Translation]

AIR CANADA

TRIBUTE ON OCCASION OF FIFTIETH ANNIVERSARY OF CORPORATION

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I welcome this opportunity to recall that on April 10, 1937, Parliament passed the Trans-Canada Airlines Act. Subsequently re-christened Air Canada, our national carrier is celebrating its 50th anniversary today.

The corporation has served the country and Canadians with distinction, becoming over the years one of the largest and most respected airlines in the world.

I think all Canadians will share the pride Air Canada personnel feel in an airline famous the world over for its professionalism and its technical excellence.

Mr. Speaker, I would ask all Members here in the House to join me in wishing Air Canada a happy 50th birthday and a very successful future.

[English]

INTERNATIONAL YEAR OF SHELTER FOR THE HOMELESS

INTERNATIONAL CONFERENCE—CANADIAN ROLE AND EXPERIENCE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in order to focus attention on the quarter of the world's population that does not have adequate shelter the United Nations has declared 1987 to be the International Year of Shelter for the Homeless.

Canada is helping to fund an international conference of some 100 countries to be held in Ottawa this September and will be providing financial support to 35 demonstration projects in developing countries to improve housing conditions. At home, CMHC and provincial authorities will fund the construction and rehabilitation of 45,000 housing units for needy Canadians.

● (1110)

Canadians, with their expertise in construction technology and real estate development, can play a major role in providing affordable dwellings for the homeless throughout the world.

* * *

VIA RAIL

REPLACEMENT OF ROLLING STOCK

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, yesterday in the House I questioned the Deputy Prime Minister (Mr. Mazankowski) about the Government's decision to abandon yet another of its campaign promises, this one to replace the antiquated rolling stock of VIA Rail with new cars which would be built jointly by Can-Car Rail of Thunder Bay and Bombardier of Montreal.

While the Minister refused to confirm reports that the Government will go shopping for second-hand cars in the United States instead of building our own cars, his tone was clear that the Government just does not want to spend the money.

This incredibly short-sighted decision is made in spite of the knowledge that it will cost over a thousand jobs for Canadian men and women in Montreal and Thunder Bay, and that it is not going to save any money in the long run anyway.

There is an alternative. Instead of buying second-hand U.S. cars, why not enter into an agreement with Can-Car and Bombardier that, if those companies build the cars in Canada, the Government will agree to lease them on behalf of VIA for 15 to 20 years? This will avoid the massive lay out of funds that the Government is afraid of, and will also save the hundreds of jobs about which I am concerned for Canadian men and women. It is worth considering.