

portions had been received or not, the taxpayer had to pony up in entirety.

There is a philosophy in the Taxation Division of the Department of Finance that as soon as a dollar has been earned, whether it has been paid or not, the Government has a right to a portion of it, and it wants it now. Of course, it is not entitled to it. The taxpayer does not exist for the benefit of the Government. The Government exists for the benefit of the taxpayers and the citizens of this country. That is the difference between the present Government philosophy and the Liberal Party, and the Official Opposition. We do not believe that people exist for the benefit of government. Government exists for the benefit of the people.

● (1230)

The Government must also spend the money that it sees it can get. It organizes programs that are easy to sell to gullible voters and then turns around and taxes those programs like it is doing with the petroleum acquisition tax. That is a plain grab. That petroleum capital assets acquisition levy has produced far more than what was required even though those assets were acquired at a scandalously high price.

The same goes for PetroCan, the so-called ideal of the Government and of the people who think that PetroCan is good for Canada. It is paying rates for drill ships and supply ships and for acquisition that is far in excess of the market and it is paying daily rates that are far in excess of the current market. However, because PetroCan is a Crown corporation, it does not have to worry about who will foot the bill. The gullible taxpayer will offer his or her wallet when supporting such programs.

The policy of the Government and the policy of PetroCan *vis-à-vis* the Canadian public is dishonest. PetroCan behaves in the crassest of manners. The public press alleges, that the standard of behaviour of PetroCan is similar to the behaviour of some foreign corporations like Imperial Oil and Exxon which have been in the country for 50 years or more drilling for oil. As well, there are the opportunists who want to cash in on the hard work and blood, sweat and tears of the thousands of people in the petroleum industry who are trying to make a go of things.

In one fell stroke, this administration, in 1980 and 1981, put an end to a good industry. This industry was working throughout the four western provinces. The administration did not realize it but at the same time, of course, it sure put an end to a lot of the Ontario and Quebec industries which supplied goods to the petroleum industry. Ask automobile workers how many fewer vehicles were sold annually as a result of this administration. I see an Hon. Member over there who is shaking his head. We know this for a fact. I am talking about trucks, automobiles, bulldozers, front-end loaders and the like. The market from western Manitoba all the way to the Pacific coast went straight downhill.

An Hon. Member: American automobiles.

The Budget—Mr. Lambert

Mr. Lambert: No. When the Hon. Member says American automobiles, he does not know what he is talking about. However, we do know what the decline in sales was and we know the number of automobile agencies that went broke and the number of auction sales of surplus equipment that went on. This all came about as a result of the National Energy Program.

The last point I wish to return to and really dwell upon, Mr. Speaker, is the question of capital gains on farm lands. It is now almost impossible for the owner of farm lands who faces a disposition either by will or by sale to determine whether capital gains taxes are to be paid or whether those taxes can be postponed. Those taxes can never be escaped because of every relieving provision implemented since the first one which was introduced by John Turner back in 1973 or 1974 after the imposition of capital gains on farm lands came about in 1971. That happened in spite of our express vote. I put forward an amendment which would eliminate any question of capital gains on the sale of farm lands for farming purposes.

Mr. Mazankowski: How did the NDP vote?

Mr. Lambert: They came along with us on that one, as I recall. We had tax department interpretations which were just as ruthless as those of today. If a wheat farm were to be changed into a beef farm or if a farm were to be changed from one on which poultry was the principal occupation to one on which the production of honey was to be the principal occupation, it would not be deemed to be a similar purpose and would therefore be subject to full capital gains tax.

We now have all sorts of farming corporations which have been encouraged by the Department of Agriculture but are taxed by the Department of National Revenue. In the past there could not be devolution by will from a father to a son, a married daughter or a widow without attracting capital gains. Now those capital gains taxes are deferred one generation. At this time, this relief provides that if a farmer wills his property to his son and the son should die without leaving any direct heirs, the land, under the usual succession, could revert back to the mother and still be allowed as one of the deferrals.

Frankly, this situation is so expensive to the farming industry of the country. Hundreds of millions of dollars have been siphoned off from the capital that is required to own a farm in this country. No wonder we are having difficulties setting up young farmers who want to buy land. One of the reasons for this, Mr. Speaker, is that the sale price of a farm is always inflated by the amount of the expected capital gains tax. The vendor naturally tries to protect himself or herself and so the price goes up.

The Government has sucked those hundreds of millions of dollars which would have served as capital within the industry out of the industry. This capital could have been used to buy machinery, to build more buildings on the property, to acquire more land or to put more land into production. No, the ever-hungry, blood sucking operation that is conducted by the Government in order to finance plans that it announces or wants to announce without any idea of where the money will