

cut and replaced with a Toronto phone-in show. When will the Government realize that such locally-produced shows have far greater importance to their communities than their counterparts in the major centres? When a local program is cut in Thunder Bay, northwestern Ontario loses a tangible and important part of its identity, and there is nothing to replace it.

The value of Canadian culture and the value of regional identity cannot be measured on a balance sheet. Cuts to children's programming, as well cuts to regional programming like the ones we have seen in northwestern Ontario, strike very deep indeed.

I have a message from the outlying communities and from the children of Canada. The Government will have to raise itself up—it will have to raise itself “way up”—before it can hope to regain their respect.

* * *

SOCIAL SECURITY

APPLICATION OF TAX SYSTEM

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Leader of the New Democratic Party (Mr. Broadbent) plans to stand and fight on the beaches to protect our present inequitable social transfer system. He demonstrates that he really does not understand what in fact happens in the tax system when citizens are given exemptions dependent on their investment income, their age, and the number of children and spouses they have. For example, a single senior citizen with no income receives absolutely no benefit from the personal tax exemption of \$4,140, or the age exemption of \$2,590, or the \$1,000 investment income exemption. To a senior citizen having a taxable income of \$30,000 a year, the exemptions will total \$7,730 in 1985, which represents to federal and provincial Governments a tax expenditure of approximately \$2,950.

When we calculate the value of pensions and their universal application, we must calculate the personal tax expenditures allowed to every person. These expenditures are valuable to those who have taxable income; and to those who have the most taxable income, the most value. If a person is poor, the expenditures are worthless to him. He gets nothing. But, if a person is modestly rich, with a taxable income of \$30,000, \$2,950 is not a bad allowance; it is nearly \$250 per month.

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

* * *

[Translation]

SOCIAL SECURITY

UNIVERSALITY OF SOCIAL PROGRAMS—SENIOR CITIZENS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would like to quote from an article by Michel Roy that appeared in the newspaper *La Presse* yesterday morning:

S.O. 21

It is rather surprising that the Prime Minister and the Minister of Finance should create this incredible confusion about budget cutbacks and the universality of social programs. (...) It all looks as though the Leader of the Government were being over anxious to clarify the somewhat vague statements made by his Minister of Finance and were actually trying to hide the truth.

Mr. Speaker, considering the contradictory statements made by the Prime Minister and the Minister of Finance with respect to the universality of social programs, I am afraid I must agree with this statement. Should we not censure a Government, and especially a Prime Minister, when they persist in their refusal to tell the truth and prefer to maintain this atmosphere of ambiguity and confusion among our senior citizens, a generation that made so many sacrifices for this country.

Mr. Speaker, our senior citizens know perfectly well this Government intends to put an end to universality or to cut the amount of money they receive in some way or another.

Mr. Speaker, we in the Official Opposition intend to oppose this discriminating measure.

* * *

[English]

INCOME TAX ACT

DEFERRAL OF CAPITAL GAINS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I rise to put forward the plight of taxpayers who are reassessed under Section 44 of the Income Tax Act for failing to file an election concerning replacement property. Section 44 allows taxpayers who have sold land to elect to defer the capital gains realized on the sale if they have purchased replacement property of equal or greater value.

● (1415)

This concept of deferral is well known in the agricultural community. Unfortunately, however, many taxpayers are unaware that Section 44 provides that an election must be made before the capital gain can be deferred. Furthermore, Mr. Speaker, there is no election form provided by Revenue Canada. People, therefore, assumed, not unreasonably, that the act of repurchase, the actual documented replacement of land, constituted an election within the spirit and intent of Section 44.

The previous Government authorized reassessment of many vendors for failing to file an election. This has resulted in situations where taxpayers who purchased replacement property in the honest belief they could defer tax now find themselves reassessed for substantial amounts of tax and capital gains from their sale. In fact, they used the proceeds of sale to buy new land.

This is manifestly unfair. These taxpayers ask the Minister of National Revenue to examine the entire matter of Section 44, and to consider the act of repurchase as an effective election.