

Income Tax Act

hon. member for Winnipeg North Centre (Mr. Knowles) is talking about pensions. They are really running for cover.

If any member has credibility in terms of pursuing pensions for veterans, senior citizens and railway workers, I am sure no one else in the House has established a finer and better reputation than the hon. member for Winnipeg North Centre; at least he has some principles.

Some hon. Members: Hear, hear!

Mr. Mazankowski: What were some of the issues in the last election? What issues are immersed in this piece of legislation with which we are attempting to deal? During the election campaign the Liberals promised cheaper gasoline and petroleum products. As a matter of fact, on February 8, 1980, the Prime Minister (Mr. Trudeau), in a speech in Toronto, said that their price increase would be less than 14 cents a gallon, that there would be no new taxes, that there would be no increase in the excise tax, that there would be a made-in-Canada blended price, and that there would be a negotiated agreement with the provinces within a year. What else did they promise? They promised economic revitalization, cheaper interest rates, and a made-in-Canada interest rate policy. We all know what the Minister of Industry, Trade and Commerce (Mr. Gray) promised when he was finance critic. He said that if interest rates go up he would resign. Well, he is still here; perhaps that is why they call him "amazing Gray".

Also they promised an increase in the guaranteed income supplement, on which they delivered. They promised double tracking; they would link all the sidings along the CN mainline between Winnipeg and Vancouver so that the number of trains could be increased from 25 to 50 because of the parallel line. We now know that it has been discounted as an impractical solution. As a matter of fact, it is the most lunatic proposal I have ever seen. They promised to revitalize agriculture with a 12-point program. They promised help for small business. They promised changes in capital gains. They promised a four-point automotive program. The Prime Minister made a personal promise; he said that if he was elected he would resign within four years. I am sure that is one promise many Canadians are hoping will be fulfilled very quickly.

Let me review the record. What about the automobile industry? It has never been in more dire straits in the history of this country than it is today. In spite of the fact that the government is attempting to bail out Chrysler and to put the industry on a sound footing, there are still some very serious problems.

What about changes in capital gains? The hon. member for Moose Jaw very effectively dealt with that matter yesterday, but I think it should be repeated. The Liberal government promised a change in valuation day from December 31, 1971, to December 31, 1974.

There was a suggestion that some inflationary clauses would be enacted to take into account the impact of inflation. Something must be done to lessen the impact upon capital gains. The impact upon capital gains destroys initiative, discourages ownership, and stifles productivity. As the hon.

member for Moose Jaw pointed out yesterday, many people who own enterprises, particularly in the small business and farming sectors, take very, very low wages and do not institute pension or retirement programs. When they sell their enterprises, the moneys realized serve as their retirement funds, yet ministers seem to be following a course of a more regressive capital gains tax rather than a progressive one. I think the future of ownership and private initiative is under attack as a result of the philosophy of the government which is shared by the NDP that ownership is bad, that people should be taxed from the cradle to the grave, and that any selling off of one's resources acquired over the years should be subject to a very punitive tax. I do not agree with this. Our economic program dealt very effectively with these matters.

Let me turn to agriculture. A 12-point program was to be instituted, but all we have seen is an increase in the farm loan act, which is a help. What is happening in grain movement? We are barely keeping pace with the shipments of last year, even with the advent of more hopper cars and improvements in the capacity of terminals and the entire operation. The government failed to establish a target for grain movement for this year. My party established a target of increasing exports by 20 per cent in the last crop year over the previous one, and we achieved it. There should have been at least a 10 per cent increase in anticipated grain movements in the export position of this year over the last crop year. As a matter of fact in terms of quotas a number of points in western Canada are still on a three-bushel quota while others have a nine-bushel quota. There is inequity in the opportunity for delivery, which creates many problems.

What about prices? The initial price of \$4.25 f.o.b. Thunder Bay established by our administration is still in effect, while wheat sales are in the \$7.50 to \$8 range. Why does the government allow the Canadian Wheat Board to keep farmers' money? There should be an immediate adjustment in the initial price. Farmers are paying 20 per cent interest, and the minister in charge of the Wheat Board will not give farmers their own money.

Furthermore, the minister in the other place suggested that the farmers should not get their money at Christmas because they would spend it on Christmas cheer and presents, or they might have income tax problems. It is nonsense. Certainly they have problems, problems meeting their commitments and being forced to pay high interest rates. These problems are not helped by the government's approach to small business and the small farm.

I take exception to the fact that the minister in charge of the Canadian Wheat Board is unduly politicizing that board. There is no reason in the world why he should be announcing the grain sales of the Canadian Wheat Board. They are the selling agency; he is not. He should not announce the final payments or the adjustments in the payments. The Canadian Wheat Board, acting on behalf and in the best interests of farmers, is doing the job. He should not attempt to enhance his political position and the political position of the government by associating himself and meddling with the glorious little