

*Income Tax Act*

lution which was put forward in support of public ownership of all lands.

In reviewing Bill C-54 and examining some of the economic problems we are facing in Canada we find that, in effect, this budget is counterproductive to many sectors of our society. It will be counterproductive as far as it affects the small business sector, our farming population and our senior citizens. We introduced a budget about which I will speak in more detail later. We introduced a very socially progressive budget, when we had the opportunity as the Government of Canada. At the time the New Democratic Party, the supposed party of social compassion, voted against those progressive policies which we had advocated. At the time that illustrated to me the way that they speak out of both sides of their mouths. They indicate they do have a concern for the underprivileged in Canada, yet they do not show it when they have the right to exercise a vote in the House of Commons.

Bill C-54 covers the amendments and the various propositions brought forward by the finance minister in his mini-budget of April, 1980, and in his budget of October, 1980. If it is to be faulted it can be faulted in a good many areas with respect to the deletion of various proposals. There were many important proposals which we included in our budget and which the Liberal party has not seen fit to adopt. A good many of the recommendations which we supported in our budget have been brought forward in this minister's budget, and I commend the government for that.

With respect to what the member for Assiniboia mentioned, there is no relief from capital gains for the farming sector of our country. On several occasions in the previous election campaign the Minister of Agriculture promised that valuation day would be changed from 1971 to 1974. This commitment was not fulfilled by the party opposite. Under the Crosbie budget we offered an opportunity to the farming sector whereby they could roll over their capital gains into a registered retirement savings plan. This went a long way in alleviating the farmer's burden, whose only retirement plan is realized when he sells the property he owns.

We are glad to see that the present government has again accepted our proposal with respect to the Small Business Development Bond. We advocated this measure in order to alleviate high interest rates which so many sectors of our society were facing. We are disappointed that this measure will expire on March 31, 1981. It is my understanding we will be introducing amendments to extend the expiry date of the Small Business Development Bond program beyond that time period. We are hopeful that the Liberal party will accept this suggestion.

● (1640)

Let me congratulate the government for including the provisions with regard to volunteer firemen. We advocated the proposal whereby the allowance would be increased from \$300 to \$500. However, I am disappointed that the government did not include a provision for an energy tax credit. What the government has done in imposing higher energy costs on

Canadians is totally different from what we advocated. The Conservative party advocated an 18 cents excise tax on gasoline to be imposed on those individuals who drive a vehicle. The government impose a refinery tax, which means that even individuals on low incomes will now be burdened with the additional costs. Nor has the government brought in an energy tax credit for those individuals who earn less than \$22,000 per year.

Because of the energy policies of this government, exploration activity will be 40 per cent less this year, which amounts to approximately \$2 billion in investments. As the result of the government budget, interest rates will be higher. Let us review some of the positive measures which were introduced in the Crosbie budget. We intended to reduce government spending. In spite of that, the Social Policy Board of Canada indicated that the budget was the most progressive budget it had seen in the past ten years. We intended to eliminate mismanagement while at the same time helping those who were most in need of help. As I indicated earlier, the Crosbie budget offered capital relief to farmers, and the working spouse deduction which the government has accepted.

I hope that the government will give some consideration to offering aid to those individuals who face high mortgage costs. The Conservative government committed itself to offering such aid. In light of high interest rates, I hope the government will come forward with positive measures to alleviate the situation. The Conservative policies reflected a belief in the individual Canadian, that he or she could develop without the government becoming too involved in their private lives. We felt that we could contribute to the development of the individual rather than inhibit that development.

It is worth while to review the five commitments made by the Prime Minister during the 1980 election campaign. His first commitment was that the Liberals would manage the nation's finances more vigorously in order to make more effective use of taxpayers' money. He made the specific pledge that his party would hold the line on government expenditure growth under the rate of the GNP. Upon examining this budget we find that for the coming fiscal year there will be an increase of some 12.8 per cent in total federal expenditures and it forecasts an increase in the GNP of 11.1 per cent, which includes inflation. In reality government spending has not been held in line. That is the first promise broken by the Prime Minister.

The second promise of the Prime Minister's five-point plan was that he would achieve energy security at a fair price for all Canadians. He indicated that he would negotiate an increase of less than 14 cents on the price of a gallon of gasoline. In reality we see that the price of gasoline per gallon has increased by anywhere from 20 cents to 30 cents. Now we find that the negotiations between the federal government and the producing provinces are at a stalemate and a settlement cannot be reached. Consequently, our energy security is becoming a fading dream.

The Prime Minister's third promise was that his party would develop an industrial strategy which would provide jobs, spur