

*Supply*

and unanimously endorse a policy to reindex the Old Age Security and the Guaranteed Income Supplement. It would be work well done by all parliamentarians.

**Mr. Gormley:** Mr. Speaker, I have a question for the Hon. Member for Hamilton East (Ms. Copps) and a few comments, perhaps by way of a preamble. First I should like to compliment her on the reading material which she has brought to the House. It is improving somewhat, and I hope it continues to improve.

It would not come as a surprise to most of us from Saskatchewan farms that this Member, I suppose from the heart of industrial central Canada and of course speaking officially on behalf of the Liberal Party, would be so opposed to the exemption on capital gains tax. I want the record to show what I have to say, as I bring copies of the House of Commons *Hansard* back home to thousands of farmers who eke out a living on six, seven or eight quarters of land. Capital gains tax is their life savings. This is their pension in the ground on which they toil. The Hon. Member referred to neo-Liberalism. Good Lord, old Liberalism was bad enough! The Liberal Party of Canada does not want the capital gains tax exemption for my farmers, for all Canadian farmers. I think that should be on the record for people to see the Liberal Party and its true colour.

I should like to direct my specific question to the Hon. Member and to draw her attention to a recent Statistics Canada report which indicates that by the beginning of the 21st century one in four Canadians shall be 65 years of age or older. The present 12 per cent of senior citizens, 12 per cent now and ever growing, will be 25 per cent by the year 2000. I should like to ask this Hon. Member, this distinguished representative of the Liberal Party of Canada which bequeathed to all Canadians a \$35 billion per year deficit, an accumulated deficit of \$200 billion: Who will pay in the year 2000 for the valuable programs which are now universal to all Canadians 65 years of age and over and shall continue to be universal to these Canadians? Who will pay? That is what I should like to ask the Hon. Member.

**Ms. Copps:** Mr. Speaker, I thank the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) for his question. It is unfortunate that he has not been participating in the budget debate. If he had, he would have known that this Hon. Member for Hamilton East has already spoken on the capital gains issue with respect to farmers. Having a little background in agriculture myself, I am certainly aware of the fact that an all-Party committee in the last House of Commons recommended that the capital gains exemption be lifted completely for farmers, so that there would be no ceiling on capital gains exemption for the farming community.

Unfortunately, in this particular Budget, the Minister of Finance has chosen not to offer what he promised to farmers. That promise was a complete exemption from capital gains. Instead he has chosen to offer a wholesale sell-out to the so-called 4 per cent of the investment community which can purchase condominiums in Florida and to offer them the

capital gains write-off. If the Minister of Finance had been listening to the Hon. Member, he would have followed up on his suggestion to assist farmers. There is no direct assistance for farmers in the Budget. The only assistance they receive is the capital gains write-off if and when they sell their properties. It is great if one wants to close up shop but, if one wants to survive or to continue to eke out a living, there is nothing in the Budget.

If the Hon. Member were sincere about a capital gains write-off, he would move an amendment. I encourage him to move the amendment—and I will support him on it—which will allow a capital gains exemption for the farming community alone and will in fact retire the rest of that \$125,000 cash bonanza for the rich and put it into a pool for senior citizens who are paying not for past Liberal sins but in particular for the cash bonanza which the Government has given to the very wealthy.

This capital gains write-off is a sham. It offers a write-off for investment of Canadian dollars outside the country. In the same way, the pension fund changes mean a potential outflow of \$30 billion of Canadian investment funds to other countries where they can obtain better rates of return. We in the Liberal Party believe in Canada. We do not believe that we have to go to the United States, to Europe or to other countries to obtain better rates of return on our investment. We are prepared to put our money where our mouth is. Unfortunately the Government, by permitting a \$500,000 capital gains write-off with no conditions attached—no conditions for farmers, no conditions for Canadian investment, no conditions for Canadian job creation—has created a bonanza for the rich which is being paid directly by our senior citizens.

• (1640)

Do not try to pass that scam off on the Canadian people. Do not try to tell them that it is as a result of past Liberal woes that this deindexation measure is being introduced. It is being introduced to make your pay-offs to the multinational oil companies, as well as your payola to that 4 per cent of the Canadian population who can take advantage of a \$500,000 capital gains write-off. That is what the seniors of Canada are paying for. They deserve to know the truth.

[Translation]

**Mr. Deputy Speaker:** The Hon. Member for Chicoutimi (Mr. Harvey) for a question or comment.

**Mr. Harvey:** I want to make a few comments, Mr. Speaker, because if the Official Opposition keeps this up the elderly will have the impression that their pension payments will be cut in half. But the facts are different and, keeping in mind the election promises and the need for the Government to get a handle on the deficit, I think it is important to follow up on our election promises in a moderate way. As to the elderly, their pensions will indeed continue to increase regularly.

Mr. Speaker, we have to remember that the Budget provides for full indexation of the guaranteed income supplement and