

Income Tax Act, 1986

Mr. Binns: Thank you, Mr. Speaker. Of course the capital gains provision is one of the most important aspects of the particular Bill. It is something for which the farm community in Canada has been looking for a long time. It came as a surprise to many people in the business community that the capital gains provisions was not only provided for the farm community but in fact was extended to the business sectors of the country. That will have the kind of economic stimulus which the Government thinks Canadians want to see. It will give them an opportunity to see their money reinvested in new initiatives which will create work for Canadians. In fact, that is what the Government has been able to achieve in the last number of months. I think we have had something like 471,000 new jobs created since the Government took office.

In the Province of Prince Edward Island, the labour force last July reached an all-time record level with something like 67,000 people working in our economy out of the total population of roughly 125,000. More people have been drawn into the labour market. Employment has been at an all-time high level. Naturally we are still concerned about some of the high unemployment that still exists and will continue to work hard to see that we tackle existing problems. If the Government keeps on with the kinds of initiatives displayed in Bill C-84, we will see a rosier future.

Mr. Tobin: Mr. Speaker, you are the finest man to have ever occupied the chair in this institution; I wanted to put that on record. I was somewhat surprised that the Hon. Member for Cardigan (Mr. Binns) rose in his place today to defend the tax changes being proposed by the Government. Normally that Hon. Member is one who is clear-headed, fairly intelligent, fairly representative of his region and one who is normally concerned. Perhaps the kind of Atlantic Canada in which he lives is radically different from the one in which I live, but I want to ask him how many people he knows who are jumping up and down in the streets, applauding the \$500,000 capital gains provision, which the average citizen in Atlantic Canada cannot even begin to contemplate. It is a wonderful thing if one has millions to trade in the real estate market, in diamonds, in furs or in condominiums. I do not know how many farmers in Prince Edward Island—indeed, tobacco farmers in the Hon. Member's riding—are playing the stock-market or are trading in condominiums, diamonds or furs these days.

Does the Hon. Member agree with a tax regime which will mean, over five years, a 36 per cent increase for those earning \$15,000 per year, which is the average in his riding and mine; which will mean a 4 per cent increase for those earning \$100,000 per year, which is unheard of in his riding and mine; and which will mean a 2 per cent increase for those earning \$200,000 per year, which is what our lucky cousins make on the mainland once in a while, in Montreal or Toronto? For those earning \$200,000 per year it will mean a 2 per cent increase in taxes over five years, whereas for those earning \$15,000 per year, the kind of people the Hon. Member and I know, the ones who sent us here, it will mean a 36 per cent increase in taxes over that period of time. Did I hear the Hon.

Member correctly? Perhaps I did not. This is his chance to redeem himself, to beg forgiveness and to clarify the record.

Did I hear him correctly when he said that the budget measure would be good for the people of Atlantic Canada? Did I hear him correctly when he said that this was the kind of fair measure he would support and propose for the people of Atlantic Canada? Did I hear him correctly when he said that he represented a riding in Atlantic Canada? Could it be that the ivory tower and the splendour of the House of Commons has confused the Hon. Member? Could it be that the splendour, the carpet and the rich ornaments surrounding us in this place, have changed his mind and made him forget the reality of the people who live by the sea and off the land in Atlantic Canada? Could that be so?

Mr. Binns: Mr. Speaker, it comes as a surprise to me that the Hon. Member from Newfoundland has not recognized that many of his own constituents have worked hard over the years and have realized capital gains.

Mr. Tobin: You live in a different world from the one in which I live.

Mr. McDermid: Everybody does.

Mr. Binns: He suggested that no people in Newfoundland or in Prince Edward Island have in fact been able to gain assets such as a farm or a business operation, at which they have worked hard, day in and day out, over the last 20 years to 50 years. Our Government has simply recognized those people so that they can take their life savings or investments and realize a capital gain. Hopefully that money will then be reinvested in businesses for their sons and daughters. That is the kind of initiative which will get the country going again. If the Government simply takes away all the tax dollars from those people who have realized these gains, it will have simply done nothing to reinvest money in Newfoundland and in Prince Edward Island.

I am disappointed. I thought the Hon. Member recognized the kinds of advantages this provision will provide for his constituents. Perhaps Hon. Members on this side of the House will have to send some material to his constituents pointing out the advantages of this provision, because obviously he has not recognized them.

The Acting Speaker (Mr. Paproski): If there are no further questions or comments, we will continue with debate.

Mr. Sergio Marchi (York West): Mr. Speaker, I feel very honoured to speak on Bill C-84. However, I feel a responsibility as the Member of Parliament for York West to rise in my place and address what is basically a series of inequities. It struck me, as it struck my other colleagues, as very odd for a Member from Atlantic Canada, the Hon. Member for Cardigan (Mr. Binns), to rise in his place and say the things he did. However, I think that has been par for the course, throughout the debates that we have been listening to today. Basically there are two sides to this financial equation that we find, not only in Bill C-84 but in other pieces of legislation such as Bill