

*Oral Questions***INCOME TAX****REVIEW OF CAPITAL GAINS TAXATION—GOVERNMENT POSITION**

**Hon. Elmer M. MacKay (Central Nova):** Madam Speaker, I have a brief question for the Minister of Finance concerning capital gains tax. Since it is approximately ten years from valuation day, and since the minister knows that when assets change hands now they are being taxed heavily on inflation, which I think he would agree is confiscatory, what plans do he and his cabinet colleagues have to revise or otherwise make more equitable the capital gains tax structure in this country?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, as the hon. member knows, shortly after the budget I released a discussion paper on capital gains, which discusses, among other things, the question of indexation or providing an inflation adjustment. I am awaiting representations and views from interested parties on that paper, and I will take them into account before another budget.

**Mr. MacKay:** I am curious about that answer, Madam Speaker. I wonder if the minister could elaborate slightly and say what time frame he anticipates he is looking at before he will be considering these representations. Also, does the minister agree with the statement made recently by Mr. Harris, the president of the Canadian Institute of Chartered Accountants, who points out the ironic situation where people who benefit from lotteries are not subject to capital gains while people who invest in their country are? Mr. Harris also suggests that this revision of capital gains would provide the needed stimulation to encourage the creation of new jobs. Does the minister hold to those views himself, or does he see any merit in them?

**Mr. MacEachen:** Madam Speaker, I would be glad to receive Mr. Harris' views directly; then I will consider them.

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**THE ECONOMY****QUERY RESPECTING JAPANESE-TYPE TRADING ORGANIZATIONS**

**Mr. W. Kenneth Robinson (Etobicoke-Lakeshore):** Madam Speaker, my question is for the Minister of Finance. In view of the fact that the Japanese economy had grown to the size of one trillion dollars by 1979, which is about half the gross national product of the United States and larger than any European country, and comparable to the Soviet Union; and in view of the fact that this economic growth is attributable to the relationship between the government and the large trading organizations, the banking establishment and the large manufacturers, will the minister initiate the same kind of arrangement in Canada?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, that is a very interesting suggestion. I understand that already there is a group of Members of Parliament studying that particular question of

trading corporations. Their results will be considered by the government.

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**CROWN CORPORATIONS****INTRODUCTION OF LEGISLATION**

**Hon. Perrin Beatty (Wellington-Dufferin-Simcoe):** Madam Speaker, my question is for the President of the Treasury Board. Where is the much promised omnibus Crown corporations bill?

**Hon. Donald J. Johnston (President of the Treasury Board):** Madam Speaker, the much promised omnibus Crown corporations bill is proceeding as it should.

**Some hon. Members:** Oh, oh!

**Mr. Johnston:** I hear some hee-haws on the other side.

**Mr. Beatty:** The donkeys are on that side, though.

**Mr. Johnston:** Madam Speaker, I assure the House that we are proceeding rapidly, I hope, to bring forward legislation. I would say the consultation process has been very effective. It has been completed and I am putting final touches on a discussion paper.

**Mr. Clark:** A discussion paper!

**Mr. Johnston:** I hope to bring the matter forward for cabinet consideration at a very early date.

**Mr. Beatty:** Madam Speaker, in view of the fact that the Clark government within six months was able to go from a discussion paper to a bill introduced in the House of Commons, yet the President of the Treasury Board in more than a year has been incapable of even putting a discussion paper before his cabinet, when will the minister either introduce legislation in the House or admit to the Canadian people that his claims about making progress have been a fraud?

**Mr. Johnston:** Madam Speaker, the Clark government did a great deal more than that in nine months.

**Some hon. Members:** Hear, hear!

**Mr. Johnston:** It disappeared.

**Some hon. Members:** Oh, oh!

**Mr. Johnston:** Besides that, Madam Speaker, a bill was brought forward. That bill had serious defects. I see no point in bringing forward another bill which has serious defects.

**Mr. Baker (Nepean-Carleton):** Name them.

**Mr. Johnston:** That is why we have been engaged in a wide consultation process, to correct those defects. That is what I am in the process of doing. I assure hon. members that very