

Income Tax Act

income of people without regard to the source of that income; we except only those exemptions that human considerations make necessary, such as the exemptions to which I have just referred.

We think there is no reason why a person with an income of \$10,000, \$5,000, or \$20,000 a year from capital gains should be able to have it taxed at half its value whereas the worker and everybody else pays on his full income. There is no reason in the world why the speculator, whether on the stock market or anywhere else, or the person who benefits from a windfall profit that is not due to any particular efforts of his own, should be taxed on that return at a much lower tax rate than people who earn wages or salaries, the small businessman and others who work hard for every dollar they have.

We have always taken the position on this issue, subject to the practical, humane exceptions that must always be made in decent tax legislation, of supporting the principle expressed in the Carter report on taxation. We believe this legislation now before us is another example of the double standard that governs the decisions of this government, and treats the man or woman who benefits from capital gains in a way that is unjustifiable in terms of tax equity.

In the few minutes remaining, I want to draw the committee's attention to another aspect of capital gains. One of the major reasons, in our view, why a capital gains tax is essential, particularly in Canada, is that the absence of such a tax has been one of the important reasons that Canadian investors have been tempted, and have yielded to the temptation, to sell out Canada to foreign corporations. The achieving in many cases of very large incomes as a result of the sale to or merger with a foreign owned corporation, and the achieving of very large incomes as a result of selling out Canadian plants, branches, industries, or mining claims or rights to minerals under the surface of the land without having to pay any tax on it has always been a great temptation or incentive to Canadian owners to sell out to foreign owners.

• (3:50 p.m.)

One of the side reasons we support a capital gains tax based on an equity tax system is that it would take away this incentive or temptation to sell out Canada to foreign corporations. At least, this would take away any important, if not all, incentives and temptations. I have said in this House and across the country on many occasions, particularly since I have been honoured to hold the position I now occupy, that I reject the notion that anyone has done wrong to Canada because they wanted to do wrong. I reject the suggestion made by many people that Canada has been raped by the United States. I suggest there can be no rape where there is invitation and consent.

The fact is that Canadian industry, political leaders and major Canadian investors have over the years invited foreign corporations, even begged them, to come into Canada and denude our non-renewable resources, build plants in Canada and the like. This is our fault and the fault of all Canadians having investment capital, and that means large Canadian corporations, including banks. This is the fault of Canadian political leaders of successive federal and other government in this country over the years. They have thought there was a fast buck available and sold Canada out without regard for future conse-

[Mr. Lewis.]

quence, with the result that Canada has been the only country in the world to my knowledge that has permitted foreign investment without limit, without rule, without regulations—without anything. Anybody was welcome to come in and take away Canada's resources and do with them what they might, with the exception of certain areas which have arisen in recent years, namely banking, the media of communication and uranium. This is one of the things they have allowed to happen, that element of our society which is concerned only with maximizing their profits and not with the welfare of future Canadians.

One of the elements has been the absence of a capital gains tax, and one of the reasons Canadian people have permitted this to continue for more than 100 years is that successive governments have deliberately kept the Canadian people ignorant about the extent to which the Canadian economy has been controlled. Any information which successive governments have had has been kept secret on the basis of one excuse or another. As a result, the people of Canada did not know what was happening to their country and to their economy, and did not know how or even that this was affecting their lives now and would affect the future generations of this country.

It is the habit of Canadian governments to keep Canadian people ignorant about this important subject which is the very life blood of their economy and their future, and a good example of this is what has taken place in respect of the Gray report and the documents relating to it. All this sanctimonious nonsense of the Prime Minister and Acting Prime Minister, and all this sanctimonious hypocrisy about being tied by the oath of secrecy and cabinet documents does not impress any intelligent Canadian one iota. The government knows how to release papers, and it would not break any law of Canada if it released them, except information that is in the narrow sense of the word strictly cabinet information or a cabinet document, quite apart from what is in the wider sense of the word a document or information to which Members of Parliament and the people of Canada are entitled.

The most significant statement made by the Acting Prime Minister today, if you listened carefully, as I am sure you did, was to the effect that when the government has made its decision on policy, it will bring forward its decision and at that time will consider what part if any of the information should be made available to the Canadian public. That is what the Secretary of State for External Affairs said, but what does that mean?

It means the government is determined to make a decision some time, and I am glad to hear it will make it some time within the next two or three years because it has taken two years for consideration, and it will then release that part of the information which will support its decision. However, it will continue to keep secret the rest of the information the Canadian people ought to have in order to make any judgment about the decision the government will have made. The government is not only going to make a decision on policy, it is going to decide how much we Members of Parliament ought to know about the subject and how much the people of Canada ought to know about it. At times such as these and on issues such as these, the Members of Parliament and the people of Canada ought to know every bit as much as the government knows regarding the situation in this country.