

Income Tax Act, 1986

people, very affluent people to divert substantial amounts of money from Canadian income tax, from Revenue Canada, we are not only going to give them that break, or make them that present, but we are also going to let them carry out transactions outside Canada and take advantage as I said of those same benefits in that situation as well.

I think it is needless to ask whether that money which is diverted from income tax revenue will be reinvested in Canada. Just putting the question is answering it. This measure could therefore in the present circumstances be considerably improved if we just took the trouble to assess the impact and appreciate the relevance of an amendment to restrict the scope of that measure specifically to the capital gains achieved within Canada. And I think the all-out supporters of that measure, considering the present financial situation of our country, would certainly welcome such an addition since they in particular are or should be involved in improving the state of our finance. But I would not be surprised if that amendment were met with scorn and opposition and eventually defeated in the next few days because the sole commitment of this Government seems to be to preserve a good image and to maintain good relations with those men and women who, in the circumstances, might be asked to contribute a commensurate share of their income and of their power and might help much more significantly to alleviate the tax burden of people with a much lower income.

This, Mr. Speaker, is what I wished to say, and in my opinion, this amendment is a blatant illustration of the fact that our Government does not give a damn about protecting the interests of average Canadians and is basically concerned solely with flattering, playing up to and maintaining good relations with the most affluent segments of Canadian society in order to protect friends and keep their support.

● (1640)

[English]

Mr. William G. Lesick (Edmonton East): Mr. Speaker, it is a pleasure for me to rise and speak against this amendment proposed by a member of the Opposition. It is important for capital gains exemptions to be offered to all people whoever they may be. I know some who have properties outside of Canada. They are not the wealthy, as I have heard members of the Opposition say and, as the Hon. Member for Richmond-Wolfe (Mr. Tardif) said, they are ordinary people who thought that they could make more money during the recession caused by the previous Government's National Energy Program.

People moved money out of Canada in order to make something better for themselves. Sometimes this worked. Other times it did not. Why should they not have the benefit of a capital gains exemption? These were the ordinary people, the small and medium-sized businessmen and women upon whom we have depended to make our country grow. It is a fact, according to the Canadian Federation of Independent Business, that during 1975 and 1982 practically 100 per cent of the job creation was made by small and medium businessmen and women. Why should they not get a benefit in order to create

more jobs for people who need jobs? I feel it very important that the amendment not even be considered.

Members of the Opposition told us earlier this afternoon about the Prime Minister (Mr. Mulroney) who has cut his wages. He is the first Prime Minister in recent history who has had the daring to show his honesty and consideration for the people. The previous Prime Minister did not do that. Our Prime Minister is also paying for his food bills. The previous one did not do that. How can members of the Opposition tell us stories which are not true?

I feel it is very important that the capital gains exemption be given to everyone who deserves it. This will be on an ongoing and periodic basis. It will be given to farmers. They will get a \$500,000 complete capital gains exemption. However, the exemption for businessmen and women is cumulative. It is \$20,000 for the year 1985, \$50,000 in 1986, \$100,000 in 1987 and so on to 1990.

● (1650)

Property worth a great deal of money will not be completely affected at this time by the capital gains exemption. It is necessary for our Government to proceed with all possible haste so that the moneys recipients receive from the capital gains exemption will work toward the benefit of the country.

[Translation]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I think it would be a good idea for all those who want to participate in this debate to read what was proposed by the Hon. Member for Laval-des-Rapides (Mr. Garneau). If you take the time to read it properly, it is quite obvious and clear, Mr. Speaker, that Hon. Members do not have the right to cancel the capital gain as suggested by the Wilson Budget. That is not our business. But it is our business, Mr. Speaker, to ask the Government to apply capital gains only to Canadian companies and jobs.

Even if the Hon. Member for Edmonton East (Mr. Lesick) means that we like capital gain, I would like to ask him to defend the capital gain which would be applied to condominiums in Florida, to diamonds in South Africa or anywhere in the world.

Mr. Speaker, I think we are talking about the Canadianization of profits coming from the budget. Because we know very well that this Government, with capital gains—if we talk about a specific case namely the case of farmers—is trying very hard to make the rich richer in Canada. This phenomenon shows clearly in the area of capital gains.

For example, Mr. Speaker, if we look at the average income of Canadians—

[English]

Let us take a look at Canadians who will benefit from the capital gains tax. We know, particularly by the surveys which were done at year end, that Canadians do not believe that the Government is fighting for the interests of ordinary working Canadians. Let us face it; the Government is paying the piper and the piper happens to be those people who are in the