

most unfair, people who speculate, people who invest in Florida condominiums, in jewels, in art that is bought and sold on the New York, London or Paris art markets, those people who make capital gains and often contribute nothing to our society, who make no contribution in terms of job creation, those people get the windfall, they pay no tax on their first \$500,000 of capital gains.

Mr. Speaker, this means that those who have enough money to afford a summer cottage or a ski chalet in addition to their city home have to pay taxes on these cottages as they are considered a second residence and a luxury, because it is obviously not necessary or essential to have a cottage in the country. This is why it has been decided that the gains on these recreational second residences should be taxed as capital gains. However, in the future, Mr. Speaker, those who are wealthy enough to afford a cottage or to make profits from real estate speculation in Canada or elsewhere will no longer have to pay taxes on these profits.

● (1630)

[English]

As I have been saying in French, it seems extremely unjust that the series of very complex taxes presented in this Bill as a means of raising revenue to combat the deficit turn out to be a way of raising money to pay off the depositors in the CCB and Northland Banks as well as the cost of the tax gimmicks used by Olympia & York in the Gulf deal. They entered into a phoney partnership with Norcen Resources in order to make a tax saving of \$500 million to \$1 billion. As was evident today in Question Period, this move was not simply made without the Government of Canada being aware of what was going on. These people were not prepared to take the kind of risk the free enterprisers like to talk about. No, they went to the Government and the Minister of National Revenue (Mr. MacKay) and asked for a ruling. They wanted to know in advance that they could save the money. They were letting the Government know that this loophole, which it inherited from the Liberals, was there and they were going to use it. The people in the Department of National Revenue, quite properly, saw that this matter was too big for them to handle. It was not a small taxpayer looking for a modest and routine kind of ruling. Therefore, the matter eventually found its way into the Priorities and Planning Committee of Cabinet. The Prime Minister (Mr. Mulroney) was told. If he was not told that \$500 million was floating out the window because of these tax arrangements, he certainly should have been. The Minister of Finance (Mr. Wilson) knew about it. The Deputy Minister of Finance, in an action which I think was definitely improper, tried to pretend that he would have nothing to do with it because he knew all he needed to do was pick up a telephone and he would have a job at double his present salary working for Olympia & York. He has now taken that job. The kind of intimate relationships which were involved to the cost of the little taxpayer of this country is absolutely outrageous. Yet that is the situation in which this new Government, the tribunes of the people, those who promised change when

#### *Excise Tax Act*

Canadians were looking for change on September 4, 1984, have put Canadians.

I want to comment on a couple of specific issues. As my friend from Nepean-Carleton (Mr. Tupper) points out, not everything the new Government has done is to be criticized. I said on a number of occasions that I thought Canadians wanted and voted for change. Realistically, in the Province of Quebec, for example, where our Party is on the verge of winning seats, but is not yet there, the people of Quebec voted to throw the Liberals out by voting for Conservatives. But what they expected to have—

[Translation]

What we wanted in Quebec were real changes which would benefit ordinary people and not only the rich in our society and the big businesses which have traditionally been the friends of the Progressive Conservative Party.

We did not change the reds for the blues simply to have the same red policies, but with a blue tint. In fact, this is what we are getting. People wanted a real change, but they are not getting it.

[English]

One thing I would like to mention, and my friend from Nepean-Carleton already mentioned it, is that there is a group of people, of whom I am one, who are concerned about the quality of the beer we drink in this country. You will know that I had the temerity to break the laws of this country by offering to journalists and other interested parties some home-brewed beer in my office in the Wellington Building a few months ago. I did this in order to dramatize the fact that the present laws were unjust. They forced people who simply wanted to make some very pleasant brew in their cellar or in their recreation room or in their bathtub to break the laws of Canada. That has been changed or will be changed according to one of the provisions in this Bill. I note as well that this weekend the Ontario Government has decided to allow brew pubs in the Province of Ontario. That is something for which I worked when I was an MPP. My friend, Mr. Nick Wallen, who is a resident of my constituency, fought for both these measures and I remind him that it was the NDP, long before the Liberals tuned in, who fought for the rights of beer drinkers across the country. We are delighted to see this particular measure in the Budget.

It is not enough, however, to compensate for the other problems in the Budget. I would also like to bring to the attention of the Parliamentary Secretary and his Minister that at the time of the Budget last year a specific concern was raised with the Government not only over the taxing of supplies for diabetics but also over the taxing of an essential product for blind people who have guide-dogs, and that is the food they have to feed to the dogs. I have a number of guide-dog users in my riding. They now have a Canadian Association of Guide-Dog Users. When they raised the issue of the tax on pet food applying to them they did not get a satisfactory answer from the Government. Guide-dogs allow blind people the chance to function independently. They can