

Effect of Budgetary Proposals

which wants another election. They know we are in a difficult position. I am being very frank about this. Our position in this House is very difficult.

Mr. Alexander: You are being less than honest. Shame on you.

Mr. Saltzman: I do not know that the hon. member who made that statement is really in a position to do so. We as a party hope to find some way to make parliament work and make our influence felt in the deliberations which go on here. Admittedly there are times when supporting the Liberals gives me a twinge of conscience.

An hon. Member: Oh, come on.

Mr. Saltzman: I have to admit that. I will tell you that twinge continues up until the point that the Leader of the Opposition (Mr. Stanfield) rises and puts forth some of his crackpot economic policies. Then I feel somewhat better about what I am doing, because after listening to the nostrums advanced by the Conservative party to cure this country's ills, I am not at all sure I wish to replace one government of Neanderthals with another group. At least the Liberals know they are vulnerable and are in a minority position. They want to accommodate themselves to the situation. They have been willing to listen to various ideas advanced by the opposition. They have taken ideas from the opposition and have incorporated them in their budget. That at least is something to say for a government, rather than the attitude of hon. members to my right that they have the answers and will not listen to anyone.

I wish to make some comments on the ideas advanced by the Leader of the Opposition in his intervention today. He said this government has done nothing to encourage investment in Canadian business. The truth of the matter is that this government has done a great deal to encourage investment in Canadian business, but everything it has done in that direction has been a disaster. The kind of policies the Conservative party would bring in would be even more disastrous. This government over the years has bonused business in Canada to an unbelievable extent, and the more business has been bonused, the more it has been sold out to foreigners.

• (2040)

The effect of being the only country in the western world without a capital gains tax—incidentally, a proposal was put forward attempting to bring it in but the Conservative party was violently opposed to a capital gains tax—has been to make it worth while for Canadian businessmen to sell out rather than to put a brake on their businesses. They could make a fast buck by selling out, and there was no taxation on capital gains. That is the kind of policy which the Conservative party has been supporting.

We have had a 20 per cent dividend tax credit in one form or another, and now we have a 33 per cent tax credit. It seems that the more we give away to business, the more incentive we provide for the investor in Canada, the faster they sell out to the United States. There is no way of effecting control of business in Canada or leaving the control of business in Canadian hands except to do it by legislation. You cannot outbid the American buyers.

[Mr. Saltzman.]

We have been trying that for years and it does not work. There is some hope that the legislation which is on the order paper dealing with foreign takeovers will be far more effective than the billions of dollars we have handed out in bribes to Canadian investors, which did little to stop the sell-out of Canada.

Mr. Speaker: Order, please. I apologize to the hon. member for Waterloo, but the hon. member for Athabasca (Mr. Yewchuk) seeks the floor on a point of order.

Mr. Yewchuk: Mr. Speaker, the hon. member has been making many comments about the terrible things that this party is doing and the great solutions that he would propose. I wonder why he does not put in an amendment to that effect, particularly with regard to foreign ownership.

Mr. Speaker: Order, please. Hon. members should remember the established rules. When a member has the floor, he should not be interrupted except for the purpose of asking a question if the hon. member who has the floor will allow it. That is not a point of order.

Mr. Saltzman: Thank you, Mr. Speaker. Frankly, I do not know how one can amend anything as atrocious as the Conservative amendment.

An hon. Member: It's silly.

Mr. Saltzman: It is not silly; it is just bad English. I also want to say something about small business. Every once in a while there is a new "motherhood" item. Now the current Conservative "motherhood" item is small business. I do not want to talk about small business in a disparaging way. I myself was involved in small business at one time and I know that people in small businesses work very hard and are making a very useful contribution to this country.

Some hon. Members: Hear, hear!

Mr. Saltzman: I really wonder whether the problem of small business today is that there are too many small businessmen. If you spoke to small businessmen you would find out why so many of them are going bankrupt. The reason is that too many people have been enticed into small business. Offering incentives to small businessmen will not improve the situation.

Some hon. Members: Shame.

Mr. Saltzman: Some hon. members are saying "Shame" because it is one of those things that we must not discuss. Small businesses should be stimulated without limit. But that is a thoughtless, mindless approach, and anyone who is in business knows that there is a limit to the stimulation you should give to any kind of enterprise. The Leader of the Opposition stands up in mock surprise—perhaps I should not say it is mock surprise; perhaps he is genuinely surprised but only looks that way—and says, "Look at the business failures. Why are those businesses failing?"

Mr. Paproski: Because of the government.

Mr. Saltzman: That is the way the system works. What are the Leader of the Opposition and his mighty stalwarts going to do? Are they going to do the sort of thing that the