

The Address—Mr. Cafik

because we are as concerned about all these matters as you. If our society is ill, let's all do something positive to remedy the situation. I will now leave this topic and deal specifically with the Speech from the Throne.

I welcome the Speech from the Throne and I support it. I agree with what it states. I also realize there are many things that the Speech does not say. It cannot go into everything in great detail. It is not legislation. We must look at the bills that will be introduced. I particularly welcome the strong emphasis on pollution and the fact that a new department of environmental control will be set up. It is badly needed. I support that move very strongly. I hope something is done to make our environment safe, not only for Canadians but for all people. We must play our part in making our air and water safe. I agree with the statement in the Speech from the Throne that our society should be measured in terms of quality and not quantity.

I also welcome the emphasis on urban affairs. I am happy that a minister has been appointed to study the problem of urban affairs. Approximately 1½ years ago I wrote to the Minister of Transport (Mr. Jamieson) on the subject of urban transportation. I outlined the need for legislation affecting the CNR and CPR which would make railbeds available for the purpose of commuter transportation. I suggested that the railroads be forced to give preferential time schedules for such purposes, even though it may require adjustments to their freight schedules.

I also suggested the railroads should be forced to charge reasonable wheel-mileage rates for commuter transport purposes. Many people feel these are excessive at the moment. Permission should be granted for these railbeds to be used by provincial and other governments or institutions for the purpose of establishing commuter transport facilities where the CNR and CPR refuse to do so. I hope these suggestions will be considered seriously by the ministry of urban affairs. If we change the pattern of urban transportation we will do much to correct air pollution in our large centres. A great deal would be accomplished in getting people to and from their work with less wear, tear and strain.

Although my time has almost expired I would like to spend a moment talking about tax reform. I wish to go on record as thanking the dozens of people in my constituency, many of them experts in the field of taxation, who worked with me for many months on Saturdays to study the white paper proposals on tax reform. Many of them are non-Liberals. I set up this committee because I feel the proposals are probably the most important piece of legislation that I as a member of Parliament will ever have to judge. I certainly did not want to judge it in a partisan way. I wish to thank these individuals for all their work in assisting me to arrive at an objective judgment in respect to these proposals.

The tax committee in my constituency will complete its work on November 10 at a meeting with the Minister of Finance (Mr. Benson). At that time we will present our findings to him. I wish to point out some of the main changes we will be recommending. First, the elimination of capital gains on unrealized income. Second, I believe

[Mr. Cafik.]

that capital gains should be divorced from regular income. I say this for a number of reasons.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Cafik: Mr. Speaker, I ask for unanimous consent to continue for another moment or two.

Mr. Deputy Speaker: Is there such unanimous consent?

Some hon. Members: Agreed.

Mr. Cafik: Thank you, Mr. Speaker. I want to divorce capital gains from regular income because I think it imposes a maximum tax rate of 50 per cent for personal income. I do not subscribe to this. I believe that the maximum rate for personal income should be 65 per cent. I see no justification in charging the maximum rate as proposed in the white paper. This rate starts at \$26,000 a year. It also applies to someone earning \$100,000 or \$1 million a year. It does not sound much like equity. I believe that rate has to be increased. I think the tax rate for middle-income groups arrives at the 50 per cent rate far too soon. It ought to be adjusted and the rate of incline decreased so that the 50 per cent rate is reached at perhaps \$35,000 a year.

The Minister of Finance stated—this has been quoted numerous times in the press—that he really does not want to see capital gains on private homes. If he does not want them, I suggest he eliminate them from the proposals and any legislation which may be introduced. I also believe that capital gains tax liability on death should be considered in the estate before the application of estate tax. At present there is a dual taxation in this regard. Something should also be done for the small businessman, who is hit harder than he should be. I suggest a 20 per cent tax deferral for five years for small businessmen.

I wish to thank my colleagues, Mr. Speaker, for allowing me an extension of time. I do not want to abuse that privilege. There are many other proposals I would like to make, but I will make them at a later date.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, the terrible events of the past few days have made a deep impact on all of us. Our thoughts go out to Madame Laporte and her family in their grief. We are in deep sympathy with the head of the Quebec government and the citizens of that province as they attempt to root out the cancer of violence and terrifying hatred which is threatening them and all Canadians. However, in the midst of this we cannot neglect our duty in the House and sidetrack any longer discussions on the Speech from the Throne and the matters it contains. After all, the Speech from the Throne presents the view of the government as to the situation existing in Canada and a forecast of the government's program to deal with it.

• (9:20 p.m.)

The previous speaker made a number of very good and very interesting points. I agree with his idea that we