

Income Tax Act, 1986

to go along with the Minister of Finance (Mr. Wilson) who wants to reduce his deficit. Well, to achieve that end, he might first consider not applying the tax benefits provided for in his budget to gains realized on property owned abroad. I fail to see what good Canada will get out of that. If there are no other changes to the Bill, Motion No. 2 in the name of the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) should at least be accepted. According to the figures provided by the Department of Finance, that tax benefit as it stands will have cost the Canadian Government \$4.5 billion in lost revenues by the end of the decade. That is not a long period, just a matter of four or five years. We must be aware of the extent of the enormous benefits that are handed out to a small group of Canadians, those whose income is high enough to allow them to invest and realize capital gains. Let us at least restrict the exemption to the capital gains on investments made in Canada, in order to attain the goal we are aiming at, that is supposedly to create jobs.

Naturally, if the objective had been something other than encouraging Canadian investment and creating jobs, other arguments could have been made, I suppose. But the stated objective was to help the economy and, therefore, I do not understand why we should use public money, at a time when we have so little that we cannot maintain the full indexation of family allowance. At least, we should limit its application to capital gains realized in Canada, on Canadian properties. That is the intent of Motion No. 2 which I support and which will be considered, I hope, Mr. Speaker, by the Hon. Members opposite since it would prevent wasting our financial resources on gifts to people who are going to invest, in the United States or elsewhere, in yachts, condominiums, race horses or something else. I believe that if we want to reach the goal that has been set we must restrict the application of this proposal.

The Hon. Member for Trois-Rivières (Mr. Vincent) said that it would be overly complicated, but, Mr. Speaker, it is already in the Act. It is in Section 6 of the Act. It has already been interpreted by the courts. All we have to do is use it to define Canadian properties in the same way as they are defined in the Income Tax Act, so I do not see any of the complications mentioned by the Hon. Member for Trois-Rivières.

To conclude, Mr. Speaker, I should say, in view of the remarks the previous speaker made, that there is a mistake in Motion No. 2, which reads:

That Bill C-84, be amended in Clause 58 by adding immediately after line 39 at page 90 the following:

We have a colon and the next line starts with "(d). That (d) should not be there. That is why, Mr. Speaker, I propose, seconded by the Hon. Member for Ottawa-Vanier (Mr. Gauthier):

That Motion No. 2 be amended by striking out the "(d) at the beginning of the proposed amendment.

Mr. Deputy Speaker: The amendment proposed by Mr. Garneau, and seconded by Mr. Gauthier, would remove the letter "(d) at the beginning of the second paragraph of Motion No. 2. Is that right? We resume debate on the amendment. The Hon. Member for Richmond-Wolfe (Mr. Tardif).

• (1640)

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am very pleased as well to take part in this debate. A few minutes ago, the House heard the comments of the Hon. Member for Champlain (Mr. Champagne) whose speech as a whole can be summed up as follows. According to the Hon. Member for Champlain, the measures now before the House were aimed at increasing the contributing capacity of the neediest people through a tax break.

Later on, the Hon. Member for Trois-Rivières (Mr. Vincent) said to the House that when going around in his riding, he met with businessmen who were all very happy, very enthusiastic about the measures put forward in the same budget, the same legislation. Now, Mr. Speaker, there seems to be an obvious contradiction between these two speakers, which it is I believe the purpose of all speeches made by Hon. Members on this side of the House to point out.

Members on this side of the House are all aware of the fact that the financial situation of this country is such that we must join forces to consider measures, initiatives designed to reduce the tax burden in order to improve the financial situation. Except, Mr. Speaker, that up to now we have seen that each of these initiatives, each of those measures is unfortunately always aimed at the neediest, the have-nots and the amendment before us illustrates very well this openness, this generosity shown by the Government towards wealthy people. It grants a tax write-off on capital gains.

My colleague and seat mate who is an accountant, the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano), told me that in fact, this measure has been welcomed by businessmen, wealthy people, those who make important deals. They greeted this measure with some satisfaction. But what we are suggesting—and the Hon. Member for Saint-Léonard-Anjou had the occasion to raise another matter which in these circumstances would also have warranted a similar measure—is that you should have ensured that the gains accruing from those exemptions be reinvested in Canada. That would have meant a considerable improvement and I think that on this side of the House we would forthwith have supported such a step.

But what we are discussing now is what the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) said: We can live with the capital gain exemption, but let us ensure that it will apply specifically to goods and real estate located in Canada. This, Mr. Speaker, is in my view a basic, fundamental principle, it is something that should be built into that initiative, that allowance, because we are not only going to enable wealthy