

### *National Capital of Canada*

by this House in such a matter. To a considerable extent the hon. member is leaning in his preamble on section 16 of the British North America Act, which reads as follows:

Until the Queen otherwise directs, the seat of Government of Canada shall be Ottawa.

As the hon. member quite correctly said, it is not the "capital"; it is the "seat of government". When Ottawa was originally chosen, it was chosen as the seat of government in Canada. In fact, the address to Her Majesty Queen Victoria on March 24, 1857, indicated "the permanent seat of government in Canada". At that time Canada consisted of the united provinces of Upper and Lower Canada.

When the BNA Act was being drafted, representatives of Upper and Lower Canada were attending meetings in Quebec City and Charlottetown to draw up the measures which would constitute the formation of an enlarged Canada, and the "seat of government for Canada" was being decided.

The hon. member also leans on head I of section 91, which outlines the power of Parliament to amend from time to time the Constitution of Canada, but he overlooks section 92.13, to which the hon. member for Edmonton West referred. It deals with the question of property, which was at issue during oral questions and the subject of questions of privilege today, as well as in committee. Property and civil rights are matters within the exclusive jurisdiction of the provinces. For this Parliament to presume to impose its will on property beyond its jurisdiction would be—and I use the word tenderly—offensive to the province of Quebec without its consent. I hope the hon. member will accept the intent with which I am making these comments. I do not use "offensive" in an offensive manner; it just offends the niceties and the areas of jurisdiction within our country if this chamber presumes that it can impose its will upon another jurisdiction.

If the member was desirous of this measure being accepted, I am surprised he was unable to persuade members of his party that perhaps this particular aspect might be included in the constitutional measures before the committee. It could very well have been article X, Y or Z of the resolution which purports to make changes to the Constitution of Canada. His bill received first reading on May 2, and the resolution was not presented to the House until October 6. That gave him ample time to persuade the cabinet that his measure might well have been included in the ones which were brought forward. Of course, I recognize that it would be an imposition—as are many of the other measures—on other jurisdictions without the consent of the provinces.

**Mr. Benjamin:** Like property.

**Mr. Munro (Esquimalt-Saanich):** I hear a member saying "quite properly". I think it is quite improperly.

**The Acting Speaker (Mr. Ethier):** Order, please. The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

### AFTER RECESS

The House resumed at 8 p.m.

## GOVERNMENT ORDERS

[Translation]

### INCOME TAX ACT

#### MEASURE TO AMEND

The House resumed consideration in Committee of the Whole of Bill C-54, to amend the statute law relating to income tax—Mr. MacEachen—Mr. Ethier in the chair.

[English]

**Mr. Lambert:** Mr. Chairman, before we adjourned for dinner I was going through a proposition which I had put before the House. I would like to repeat just a little bit of it. It seems to me that rather than bulldozing Canadianization of resource industries, as is proposed in the national energy policy put forward by the Minister of Energy, Mines and Resources, I would like to encourage Canadian citizens to do it on a voluntary basis. I know hon. members from all parties would much prefer to see it done this way. I would take those natural resource search and development companies in Canada, whether foreign or Canadian owned, and work out the following proposition: their shares, available to Canadian citizens and bona fide Canadian companies on the market, would have the added benefit, when related to the capital gains section of the Income Tax Act, of providing an investment opportunity to those persons qualified, and by "persons" I include corporations. If the shares were to be held for five years, with, if necessary roll-overs within the ballpark of approved resources or approved companies, then they would attract a forgiveness of tax for capital gains purposes.

I have in mind a five-year plan so that an investment within the ballpark, maintained by the taxpayer or the investor for five years, would earn a total remission of any capital gains tax. If it were kept for four years, it would be 80 per cent, and this would go down through 20 per cent per annum. It seems to me that under those circumstances we could attract a great deal more Canadian participation. I am being, shall we say, discriminatory in favour of Canadian citizens and bona fide Canadian companies in the area of investment in the resource search and development industry. It has not been tried before in Canada, so I cannot say I could guarantee that we would see such and such a shift in ownership. I do not personally know whether such a proposition would bring about the nirvana and cause a very significant shift, but I am satisfied there would be a considerable shift.

● (2010)

As the plan progressed, Canadian money or even foreign money for the purpose of resource development in this country would soon Canadianize itself and come into the hands of