

matter to be referred to a committee; we would like tax reforms to be referred to a committee; we would like fiscal tax sharing referred to a committee and the established programs financing referred to a special task force. In all, we would like leadership from the government and an opportunity to participate in the evaluation of these problems so that we might give the kind of constructive advice that we have given the minister on many other matters of legislation, and as we hope to do in the future.

**Some hon. Members:** Hear, hear!

**Mr. MacKay:** Mr. Chairman, it is always a pleasure to listen to remarks by the hon. member for Broadview-Greenwood, the finance critic of the NDP. Although he has not been in this House very long, as he says himself, he has certainly been a very vociferous contributor to the debate on financial matters. It will come as no surprise to him that some of us in the Conservative Party do not agree with some of his statements. At times we find common cause with the NDP in matters of the environment or civil liberties, but at other times we have great reservations about their economic theories.

When all the chips are down, perhaps the twentieth century will reveal that one of its greatest fallacies and greatest failures has been the concept of socialism, and that a socialist is someone who does not have much and wants to share it with everyone.

● (1630)

We also listened with interest to a former great member of Parliament and former leader of the Credite Party when he was here in this House. He was a great orator. I can remember one of his most famous one-liners when he said, "Mr. Speaker, if you take everything from the haves and give it to the have-nots, pretty soon you will have nothing but a bunch of have-nots." I think there is a lot of truth in what Réal Caouette said.

The hon. member for Broadview-Greenwood noted in passing that people with high incomes tended to be the ones who benefited the most from capital gains tax. I suggest that that is really a penetrating look at the obvious. What we would like to see, of course, is more people with high incomes so they could be paying capital gains tax. We would also like to see the government be more flexible, and for it to carry on with some of the things that were noted by the hon. member for Kindersley-Lloydminster. We would like to see the government carry through with its election commitments, also referred to by the member for Broadview-Greenwood. We would like to see the government do something about changing the capital gains situation on family farms.

I believe, and perhaps the House would agree, that if capital gains taxes are not modified to some extent, and if indexing provisions are not brought in, they are really nothing more than a tax on inflation. They are confiscatory. Ultimately they will have the effect of taking away much of the incentive, much of the private ownership, and much of the capacity to

own things which have always been and deservedly so, part of the tradition of Canadians.

### *Income Tax Act*

I believe, the minister opposite would also like to see this done. I believe too that many members in the Liberal Party would have no difficulty—since everything is being predicated on the constitution these days—with a proposed amendment put forward by our party to include the right to ownership of property, and not to be deprived of same, without due process of law, despite some of the rather chauvinistic and unnecessary objections from some provinces, including some with Conservative governments.

It is obvious, as the Prime Minister admitted, that it is very important for him to have the support of the New Democrats. At least he was forthright enough to admit it. But since we are talking about financial matters and some of the aftermath of past policies, such as AHOP, which are causing so much difficulty for the hon. gentleman on the treasury benches opposite, it is interesting to remember that some of these policies which are now coming back to haunt the government, causing it financial embarrassment and causing it to worry about where it will get the money to meet some of its commitments, were the result of compromises the government felt it had to make with the NDP during the period 1972 to 1974. It is interesting to note as well that at least in the constitutional debate the government is forced into this position again.

It seems to me that the opportunity for us to say a few words today ought to be directed toward asking the minister some questions as to whether he is prepared to consider some specific changes. Would the minister be kind enough to take a representation of mine under advisement? It is one I have made before. It does not seek to do away with capital gains tax entirely as the member for Broadview-Greenwood indicated some of us might wish to do. I do not think that is realistic at this time. But I still believe the imposition of capital gains tax has caused Canadians a great deal of difficulty. It takes away much of the incentive which allowed this country to progress far more rapidly in the past than it has done since the tax was introduced. The revenues derived from capital gains tax have not been as significant as the government thought they would be. Capital gains tax has done more harm in stunting the economic development of this country. It has not provided as many opportunities and new jobs as were expected.

I suggest the same kind of mistake is being made with regard to Bill C-48, in changing the depletion allowance. I am not prepared to argue that 175 per cent depletion is necessarily equitable, but I do not believe the option which is being offered by the government in terms of this change in taxation is going to be productive as far as the industry is concerned, or as far as energy self-sufficiency is concerned. I may be wrong. But as I recall, under the existing provisions at least a company, be it a small Canadian corporation or a multinational, has a chance to recover on a non-taxable basis the expense it has incurred in drilling, looking for, or developing new oil wells. Under this proposed taxation arrangement, as I recall, there will be a grant of 30 per cent for exploration wells or 20