

Income Tax Act, 1986

the same thing that the Liberals did when they held Government.

Mr. Johnston: Come on, John.

Mr. Rodriguez: I heard the Member for York West, but am I hearing correctly in this place? Is something wrong? I listened to debate of report stage of Bill C-84. The Liberals brought in an amendment that said the \$500,000 lifetime capital gain should only apply if you earned it with Canadian speculation, that is, if you bought a Canadian racehorse or the Group of Seven paintings and made profits on Canadian condominiums. The Government made this beautiful argument that you have to Canadianize profits. That is a new one on the national list. The Member for York West said just a little while ago that the capital gains tax is a give-away to the wealthy and it contributes to developing class structures. He is absolutely right.

Mr. Johnston: Mr. Speaker, I rise on a point of order. I realize that I have a moment to ask a question subsequently, but what the Member said is a complete and utter distortion on the amendment which was brought into this House.

Mr. Fulton: That is a fact.

Mr. Johnston: Which, incidentally, allows—

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Johnston: I would point out to the Hon. Member that our Party brought—

The Acting Speaker (Mr. Paproski): Order, please. I am sure the Hon. Member will have an opportunity during the questions and comments period to correct the Hon. Member. The Hon. Member for Nickel Belt (Mr. Rodriguez) has the floor.

Mr. Rodriguez: Mr. Speaker, listen to the sensitivity. Tommy Douglas, former Leader of this Party, said whenever you see a pack of coyotes, you always know when you hit one because they start yowling and howling.

Mr. Guilbault (Saint-Jacques): We do not expect you to understand the amendment.

Mr. Rodriguez: I did not think we had pay dirt on that one. The Hon. Member's intervention was as clear on this amendment on capital gains as his position was on free trade.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: I want to make my intervention and comments on Bill C-84. You know that I always try to make my comments relevant to the issue at hand, Mr. Speaker. I have discovered over the time I have been here that a Budget portrays the priorities and the philosophies of a Government. It has always been thus. What does the Government consider important? Where does the Government see the country going? What is the Government trying to achieve?

We went through the campaign of 1984. We heard it all. We all tuned in to hidden Crop detectors. We know three quarters was "b.s.". Most of it was "b.s.", Brian's statements. We understand that and the people understand it. We heard it from Liberals before. We were going to have participatory democracy and the just society. We heard about how the land was strong and that Liberals were there to try to raise the class differences to create a more egalitarian society.

The Tories did not go that far. They have no commitment to egalitarianism. We know where the Tories stand.

Mr. Gormley: You are talking through your hat.

Mr. Rodriguez: How can a Government bring in \$500,000 capital gains give-away—statistics show that 4 per cent take advantage of it—and claim that creates jobs? There is no evidence that a capital gain ever created a job. How can the Government tell Canadians that we have to cut the deficit because ordinary folks are living off the hog of the land? We have to pay at the pump, we have to pay at the store and even when you pay for pet food the Government is nailing you. Everybody knows sales and gas taxes are the most regressive taxes in any society. They are no respectors of income. Everybody pays whether they can afford it or not.

I accuse this Tory Government of taxing the poor while giving the rich generous tax breaks and the \$500,000 capital gains exemption. We are now the only industrialized country in the western world that does not have a capital gains tax. Every industrialized country in the western world has some form of capital gains. I challenge the Tories to show evidence which I am prepared to accept if they can prove that by allowing capital gains it creates employment. There is no evidence of that whatever, Mr. Speaker.

Mr. McDermid: Do you deny it to the farmers?

Mr. Rodriguez: Our position has always been, and it is consistent, excepting the farmers. They have been excepted.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: That has been our position. We dragged the Tories kicking and screaming into the 20th century on that issue and now they want to take credit for it. I have never seen anything so bold faced in my life. First we have the spectacle of Liberals stealing good NDP policy, and putting it into legislation and calling it their own. Now, the Tories are starting to do it. At least give credit, for heaven's sake.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: Our position has been that the capital gains tax does more to exacerbate class distinctions in Canada. It does not create employment. We said that only those who are wealthy can afford to take advantage of the capital gains.

It seems to me to be unfair. I have said before in the House that a tax system ought to be progressive, fair and be distributive in its nature. Capital gains is indefensible absolutely. At the same time the Government is chiselling the children and