

**The Acting Speaker (Mr. Paproski):** Order, please. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) on a point of order.

● (1210)

**Mr. Boudria:** Mr. Speaker, I wish to draw your attention to something you are certainly aware of, and I am sure you will remind the Hon. Member that referring to the absence of a Member is contrary to the Standing Orders of the House.

[*English*]

**The Acting Speaker (Mr. Paproski):** I appreciate what the Hon. Member is saying. I do not believe that I heard that remark but I am sure the Hon. Member realizes that we should not mention the absence of any Member from the Chamber. The Hon. Member for Lévis (Mr. Fontaine) has the floor.

[*Translation*]

**Mr. Fontaine:** Well, Mr. Speaker, I might point out that the Hon. Member for Cochrane-Superior (Mr. Penner) is in the House, yet he does not seem to have anything to say about Bill C-84. The Hon. Member for Cochrane-Superior was here to vote in 1971, and now he should apologize for having driven Canada into such a precarious economic situation. The Hon. Member for Vancouver Quadra (Mr. Turner) was here in 1971, as was the Hon. Member for Saint-Maurice (Mr. Chrétien). Also present then were the Hon. Members for York Centre (Mr. Kaplan), Hull-Aylmer (Mr. Isabelle), Saint-Jacques (Mr. Guilbault), Windsor West (Mr. Gray), Algoma (Mr. Foster), and Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). There were 13 Liberal Members who in 1971 supported the capital gains tax and they are still here now. It is unfortunate that they are still here. All I can wish for them is that after the next election we no longer see them here.

We heard earlier the Hon. Member for Kenora-Rainy River (Mr. Parry) dealing with capital gains. This Member of the socialist party from Western Canada was discussing capital gains with a flagrant misunderstanding of what it all means.

Mr. Speaker, he suggested that failing to tax capital gains would reduce Government revenues. Well, that is because he never understood anything about free enterprise, and Canadians are well aware that his Party never did understand and that is why there were never more than 22 per cent of the population who ever had any degree of confidence in this Western Canadian socialist party.

We also heard earlier the Hon. Member for Davenport (Mr. Caccia), a former minister in the previous Government, suggesting that the measure would deprive this Government of tax revenues. Mr. Speaker, is this sheer unthoughtfulness, or is it a blunder on his part? He should realize that the immediate aim of exempting the first \$500,000 from capital gains is simply to give business an incentive, a reason to invest more, and this would increase tax revenues.

*Income Tax Act, 1986*

Mr. Speaker, when I hear the Hon. Member for Davenport suggest that this measure will deprive us of considerable tax revenues, frankly, I wonder what he understands about economic principles. It is because of that kind of people who do not understand anything about economic principles that \$200 billion were sunk into our deficit. Because of people who failed to understand anything about the economy and who borrowed money for redistribution our country has reached a level where we can no longer borrow. It was at that point that we came to power and we are going to pull this country out of the chaos in which you put it.

Mr. Speaker, what did the 1971 decision prevent? It took incentives away from the free economy, from people who wanted to build up a new heritage. People need to build up a heritage during their lifetime but this is no longer possible within the taxation structure that was set up by the Liberals. So, what did people do? Instead of investing, those who had a bit of money loaned it. They loaned it to businesses, to the Government, and this is why we accumulated a deficit and stopped creating jobs, because nobody was investing any more.

Mr. Speaker, who borrowed the money available because of the depressed situation which had been created for our promoters and business people? It was the Liberals, Mr. Speaker. For whom did they borrow? They borrowed for the Liberals. How much did they borrow, Mr. Speaker? They borrowed \$200 billion.

Mr. Speaker, they borrowed so that they would be able to appoint Mr. Ivan Head, a former staff member of ex-Prime Minister Trudeau, to a position at the International Development Research Centre. They borrowed to appoint Mr. Roméo LeBlanc to a Government position. They borrowed to appoint Perry Anglin, from the Office of the Minister of Consumer and Corporate Affairs, Deputy Minister of Revenue Canada.

They borrowed to appoint many of their friends, for instance Mr. Jean Fournier, from the Office of Mr. Jean Chrétien, who was given the position of Deputy Minister of Finance. They borrowed to appoint another one of their friends from another Minister's office, Mr. William MacEachern, to the Aviation Safety Board. They borrowed to appoint another one of their friends, Mr. Bob Rabinovitch, to another important Government position. It was with these borrowings that they appointed their friends. And there are still many people who protect them at the upper echelons of the Government.

Mr. Speaker, we have been through a long and progressive recession since 1971. We have witnessed continuing inflation as \$1 now equals 35 cents. It now takes \$3.08 to purchase what you could buy for \$1 in 1971. The Liberals increased the interest rates. Canada went from being an exporter of manufactured goods to being an exporter of raw materials. The Liberals so discouraged investment and initiative that foreign interests were the ones who decided to invest in this country, and the Liberals then created FIRA to stop them. What inconsistency on the part of the previous Government! They