

Income Tax

Mr. Stevens: Mr. Chairman, before this debate goes on much longer I hope to have another chance of asking more questions of the minister concerning the capital gains tax. I only point out at this time that it is rather interesting to see how hysterical the socialists seem to get every time we talk about something that they regard as progressive. I need only point to Great Britain as being a clear indication of where the NDP-Labour type of "progressiveness" has got that country. If I may, I would like to respond to the question raised by my colleague a little later after we have had a few more facts from the minister.

Mr. Saltsman: Mr. Chairman, I am sorry that the hon. member for York-Simcoe has not really responded to my question. I think it is terribly important, particularly since the Conservative party fancies itself as the next Government of Canada.

Some hon. Members: Hear, hear!

Mr. Saltsman: I said fancies itself. With answers like that, I am afraid it will remain just a fancy. I think it is important that we understand just where the Conservative party stands on this question of capital gains. If the Conservative party is all for abolishing the capital gains tax, then I do not see why they are ashamed to say so. That is a perfectly legitimate right-wing position, so let them come out and say so. Certainly if they are for capital gains they should come out and say so as well. I had to listen with some degree of incredulity to the hon. member for York-Simcoe.

● (2100)

Some hon. Members: Oh, oh!

Mr. Saltsman: I wish you would enforce some discipline on my leader, Mr. Chairman. He is very unruly today. I must say that I take exception to some of the remarks made by my distinguished leader, the hon. member for Oshawa-Whitby, who used terms like "dishonest" or "more than dishonest". This is the point; if he is more than dishonest he is not just dishonest, but more than dishonest. Unfortunately my leader did not explain it as well as he might have, but more than dishonest means being a spendthrift.

The other day the President of the Treasury Board made a statement about a \$6 million error in the accounts of Canada. He was really taken to task by the hon. member for York-Simcoe. He said that was horrible, and asked us to imagine the dismissal of \$6 million as a mere bagatelle. Then, when using a different figure, that hon. member attempted to dismiss \$54 million. It did not seem to bother him at all, and I have in mind the money coming in from capital gains tax, which is even higher.

I can forgive an hon. member for being a little dishonest on occasion, particularly if he is honest most of the time, but to be profligate in respect of some \$54 million of Canadian taxpayers' money, that is something else again. This is a man who perhaps fancies himself as being the Minister of Finance some day, sitting in that distinguished spot now occupied by the

[Mr. Saltsman.]

present Minister of Finance, whose decisions shake the capital markets of the world and whose every sentence causes stocks and bonds to fluctuate from here to Kenya.

An hon. Member: Especially in Kenya.

Mr. Saltsman: I certainly cannot have much confidence in that kind of Minister of Finance. It is bad enough living with the present one, whose President of the Treasury Board only dismisses \$6 million, but if the hon. member for York-Simcoe wants the job and he is going to kick away \$54 million without blinking an eyelash, I would hesitate to give him an endorsement for that position.

I do not know how we ever got into this sort of general subject of capital gains, because when looking at the clause it seems difficult to understand how it works. In any event, we did get into this discussion which shows how impossible it really is to understand this business of half capital gains. One of the reasons we are not getting the revenue from capital gains, aside from the arguments put forward by the Minister of Finance, which are valid up to a point, is that we are very close to or not far away from valuation day, and there is a question of what valuation you placed on the asset in the first place. Stock markets have not been paying heavily in dividends, so the revenue has not been that great. You still have the problem with half capital gains that you have when you do not have a capital gains tax, in that enormous energies are used changing things around making sure they show up in one way so as to avoid tax.

Let me refer also to a comment made by the hon. member for York-Simcoe regarding investment in Canada. This is one of the arguments always advanced. People say that Canada was one of the last countries in the world without a capital gains tax. Certainly during all those years there was no evidence of Canadian investors having invested in this country because there was no capital gains tax. It was quite to the contrary in that during the years Canada did not have a capital gains tax our tax laws aided and abetted the sellout of the Canadian economy. One of the reasons the Canadian economy was sold out was the lack of a capital gains tax.

Some hon. Members: Oh, oh!

An hon. Member: Where did you invest, Max?

Mr. Saltsman: My friends are upset, particularly the hon. member for Saanich.

An hon. Member: You mean squeamish.

Some hon. Members: Oh, oh!

Mr. Saltsman: Perhaps that is not fair, as that is a lovely riding.

An hon. Member: He asked where you invested your money.

Mr. Saltsman: I have invested most of my money in Canada, I assure you, and I do not question where you invested your money. I would ask hon. members to consider