

Income Tax Act

to drill for oil wells in Senegal, instead of Alberta or the Northwest Territories.

Parliament will want to know what type of borrowing plan is in existence and where the money will come from. How much of this money will be borrowed abroad on world financial markets? In so doing, to what extent will Canada's future become mortgaged to foreign lenders or, if we are to borrow parts of this money in Canada, what upward effect will it have on the already high interest rates in this country? If we borrow these very large sums, and I noticed that in today's newspapers there were reports of borrowing, just today, of \$1.5 billion, if the government takes out that surplus capital which has been saved by the people of this country, how much will be left for the private sector? What interest rates will the private sector have to pay for the use of that money?

I suggest that this House remains dissatisfied with the reckless spending and borrowing of the government and that it demands the pursuit of responsible financial policies, which will strengthen, not weaken, Canada as a leading nation of the western world. So much for the borrowing authority aspect of the bill. Now I would like to look at the income tax amendment provisions in general.

In looking through the provisions of the bill and, more particularly, the ways and means motion—and I must admit that I have a certain amount of difficulty, which I am sure is shared by most members of the House, in reading this taxation legislation in detail—one must give a certain amount of credit to the Minister of Finance, credit to the extent that by and large when it comes to the technical provisions of the bill, he has been intelligent enough to follow the lead of the hon. member for St. John's West (Mr. Crosbie), a man of undisputed financial acumen.

However, there are certain very important omissions. In their lust for yet more and more of the Canadian taxpayers' money, his hardgot gains, our colleagues opposite completely forgot about the humanitarian aspects of the Crosbie budget. In their lust for more control over all parts of the daily lives of the citizens of this country, they deliberately omitted those aspects of the Crosbie budget which would strengthen the private sector and assist the small investor.

Let us take a look at some of those omissions. Although it is not really an omission, I would like to merely mention the Small Business Development Bond because a number of speakers on this side have already referred to that topic. I would like to mention some of the other omissions. Probably most important is the energy tax credit which would have been brought in had the Conservative government not been defeated just a little over one year ago. People throughout the country and members of this House have to recognize that energy costs must rise. It is inevitable; it must happen. Under the Crosbie budget, measures would have been brought in which were designed to alleviate the burden which falls disproportionately on the less fortunate. It is not so in the present budget or with the amendments to the Income Tax Act which are being considered in this legislation, which socks it equally to both the rich and the poor.

The provisions laid down before us do not include the amendments which we would have introduced to the Income Tax Act, namely, mortgage deductibility, to give people the opportunity to own their own homes, thereby stimulating the Canadian construction industry in these times of hardship.

● (2100)

The Liberal approach is entirely opposite. By the deliberate retention of unnecessarily and unnaturally high interest rates, they again sock it to the average Canadian and they destroy any hope that the average Canadian has of ever owning his own home.

Now I come to a couple of omissions with respect to the measures that we would have taken to encourage investment, especially by the small Canadian investor.

Let me deal first with registered retirement saving plan investment. If you recall, Mr. Speaker, this was the system whereby taxable dividends paid into RRSPs would only be taxed at the capital gains rate rather than the income rate when that money was withdrawn from the plan. That was a simple yet effective treatment of taxable dividends from an RRSP, which would have benefited small Canadian investors and would have helped them put money into Canadian industry. This, in turn, would have helped industry finance the expansion we all wish to see.

Along the same lines, we could talk about the Canadian common stock investment plan. Perhaps I should refresh the memory of hon. members about this, which was a plan to be administered by a trust company under instructions from the investor. The capital gains on Canadian common stocks in the plan would not be taxable until withdrawals were made. This would, in effect, be a system of tax deferral for the small Canadian investor. Presumably when he drew money out of the plan, it would be at a time when his rate of taxation would be less than when he was building the plan up and it would therefore be to his advantage because he would pay not only a deferred tax, but a lower rate of tax. This was a measure designed to help the small Canadian investor invest in the future of this country.

This aspect of the Crosbie budget is missing, presumably because the government does not want Canadians to directly own Canadian industry. They are opposed to the view that Canadian citizens should own—and when I say “own”, that necessitates that they be able to dispose of their holdings—because they have their own plans for the nationalization of industry. They want industry in this country to be under the direct control of government.

I could go on listing measures that would have helped farmers, fishermen and plain ordinary Canadians in general, but by now I think hon. members will realize that the sins of this government, in this particular instance, are not those of commission because what they have done is basically good; it is based upon what the former minister of finance, the hon. member for St. John's West proposed some 14 months ago; rather their sins are sins of omission. They have omitted the