

*Oral Questions*

most unfair measures was the capital gains tax exemption. Can the Government at least change the capital gains provision so it would not apply to real estate and use those millions of dollars to restore full indexation of pensions?

**Hon. Robert de Cotret (President of the Treasury Board):** With respect to the capital gains tax exemption, Mr. Speaker, the Leader of the New Democratic Party is referring to an article pointing out to what extent the exemption would be helpful in the real estate sector. I would simply draw his attention to the fact that, in most cases, the exemption as it relates to real estate applies to our agricultural sector. Farmers have been working very hard to turn our lands into an asset to the benefit of the Canadian people. They deserve assistance through the Budget and I am pleased that our Government was able to give them the help they have long since earned.

[English]

## REAL ESTATE SPECULATION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the reference in *The Globe and Mail* was to the past provisions of the capital gains tax, not the proposal by the Government. As far as I am aware, all Parties in this House are in favour of exempting capital gains for the family farm and individual homes. That is not the point.

**Some Hon. Members:** What about small business?

**Mr. Broadbent:** The question concerned real estate speculation, and my question to the Minister of Health, in the absence of the Prime Minister, is this. Given that in 1983 most of the millions of dollars that were given away through the capital gains provision—we do not have the figures, but the Government does—went to real estate speculators, will the Government at least change the law it now proposes in order to make those provisions inapplicable to that kind of speculation, and use the millions saved to reindex pensions?

**Hon. Robert de Cotret (President of the Treasury Board):** Mr. Speaker, the Government will continue to pursue measures which have as their prime objective the creation of jobs. That is what this Budget is all about, and that is what this measure is all about; it is jobs throughout the economy, throughout industry, and throughout every region of Canada. We have already had a demonstration of that.

**Mr. Broadbent:** Mr. Speaker, even a Minister in a Conservative Cabinet should know that real estate speculation just makes bucks, it does not create jobs. That is the point.

● (1430)

## MINISTER'S POSITION

**Hon. Edward Broadbent (Oshawa):** In the past the Minister of National Health and Welfare defended Canadian pensioners. Was he aware that, as reported in *The Globe and Mail* today, the previous capital gains provisions overwhelmingly benefited real estate speculators? If so, did he stand up for

pensioners saying that that is not the kind of provision he wants, but rather that as Minister he wants full indexation for pensioners? Did he do that in Cabinet, or did he accept this nonsense?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the provisions referred to by the Member fall largely within the Department of Finance and should be explained by that Department. However, I would point out that if we can get additional activity in the housing and real estate markets, there will be many spin-off effects. He must realize that the creation of more activity in those areas will create more jobs.

**Mr. Tobin:** Mr. Speaker, the Minister of National Health and Welfare knows that speculation only drives up prices and rents.

## EFFECT OF BUDGET

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Mr. Speaker, my question is directed to the Minister of National Health and Welfare and is an attempt to clarify an ever-increasingly confusing situation. Yesterday in the House the Prime Minister referred to the Budget measure to deindex OAS as a budget proposal. In response to a question from the Hon. Member for Beaches he said, "Yes, it is proposed for January 1 of next year".

My understanding is that budget measures are budget measures; they are not proposals and are not a White Paper.

**Some Hon. Members:** Question.

**Mr. Tobin:** Is the measure with respect to OAS indeed a budget measure which will come into place on January 1, 1986, or is it a budget proposal? If it is a proposal, why is it not in a White Paper? What is it doing in the Budget?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I will try to clarify for the Member in order that he will understand the budgetary process and legislation in the House.

**Mr. Guilbault (Saint-Jacques):** Don't lecture.

**Mr. Epp (Provencher):** He asked for an explanation, and I will try to give it to him. If he looks at any Budget he will find that there are aspects which take effect immediately. On the other hand, any change in existing legislation would have to have legislative change and be voted on in the House in order to come into effect. Until that has taken place the matter is a proposal in that sense.

## CONTENT OF BUDGET

**Mr. Brian Tobin (Humber-Port au Port-St. Barbe):** Given that explanation, Mr. Speaker, are we now to assume that all tax measures that do not take effect immediately, such as the capital gains exemptions, the changes to the child tax benefits,