

comments? The Hon. Member for Champlain (Mr. Champagne).

[Translation]

Mr. Champagne: As we know, Mr. Speaker, we had mild weather recently and January is the month for head colds. I am afraid my hon. colleague has a superior one considering that the Hon. Member for Cochrane-Superior (Mr. Penner) has just told us he is against capital gains. He just said we are offering hand outs to the rich—we as a Government—that they help only the rich. But the question I am going to ask him is this: How is it that the Hon. Member did not rise in this House, when he was in Government, to castigate the then Minister of Finance because there were more than 200,000 Canadians, the most affluent, who were paying no income tax? How can he reconcile that? He now opposes our allowing capital gains, he suggests that it is for the rich, but when in Opposition he failed to do his duty as a Member by not rising and telling his Minister of Finance: Make the most affluent pay, make the rich pay income tax. I believe, Mr. Speaker, that his head cold is at its worse and I hope the Hon. Member will take good care of himself.

[English]

Mr. Penner: Mr. Speaker, apart from the personal comments, I would like to say that I never for one moment suggested that I was against capital gains. I do not remember saying that. What I said is that capital gains ought to be taxed.

Mr. McDermid: They are.

Mr. Penner: They are now; but they will be exempted up to a total of \$500,000 in the course of a person's lifetime. That really amounts to an interest-free loan from the Government. I am saying they ought to be taxed.

The former Liberal Government under Finance Minister Benson brought in a capital gains tax which was only partial in terms of reform, since capital gains were still taxed at a lower rate than was income. I do not know if the Hon. Member has experienced the following difficulty, but I know that I have. It is difficult for me to say to the man who carries a lunch pail to work and who works under very adverse conditions, let us say in a pulp and paper mill or in a mine in my constituency, that he must pay the prevailing rate on the income that he earns under those very difficult conditions. Many of the people who carry out those jobs find that by the time they reach their mid-fifties they are burnt out from working in the bush, the paper mills or the mines. It is not easy work at all. It is very difficult to say to such a worker: "If you have extra dollars and you could send them out to work for you, did you know that they would be tax-free?" It is difficult for me to justify saying that to a person who works hard for his living.

I would like to deal with the second point about the minimum tax. The Hon. Member will know that in this Party we have not opposed at all the idea of a minimum tax on those who find that by using every aspect of the tax system they end

up paying no tax at all. However, if the Hon. Member will look at the history of that measure he will see that at the beginning there were few people involved in that category and that over the years more and more people were able to use the tax system to their advantage. Certainly through extensive investments in Canada and through the use of the dividend tax credit they have found that they now escape taxation altogether. We have had to face up to a problem. The problem is that every Canadian ought to contribute to the national well-being and should be taxed. No one is arguing to the contrary. However, it has only become a large problem with a significant number of taxpayers in recent years.

Mr. Jepson: Mr. Speaker, I listened with interest to the Hon. Member for Cochrane-Superior (Mr. Penner). Over the last few months I have noticed a theme in the House whereby members of the Opposition have alluded to legislation being sneaky and less than truthful. They have a clear agenda to create a credibility gap between the Government and the people, which I think is disastrous to the people of Canada.

The Hon. Member for Cochrane-Superior was a member of a Government which, when in office, told the people of Canada that it would not increase gasoline prices by 18 cents a gallon. He was a member of a Government which told the people of Canada at voting time that it would not put in place wage and price controls and, yet, brought those measures in. I do not understand how people from the Hon. Member's Party can be in a position to judge as to whether or not a piece of legislation is sneaky. I think this does a great disservice to all Canadians. As we reflect on the school of economics adhered to by the Liberal Party, we see that it is a Party which left my Government a \$200 billion deficit, with some \$22 billion on an annual basis. I understand why members of that Party do not understand the progressive legislation which is before the House.

The Acting Speaker (Mr. Paproski): Before I call it one o'clock, I would like to advise the Hon. Member for Cochrane-Superior (Mr. Penner) that five minutes remain in the time for questions or comments.

It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.