

start listening not only to Parliamentarians from the New Democratic Party and the Liberal Party who, in their role as opposition Members, feel an obligation more than ever before to represent the voices of seniors as we hear them through petitions and the letters we are receiving, but to listen to government Members as well. After all, we have heard the Hon. Member for Don Valley East (Mr. Attewell), the Hon. Member for York East (Mr. Redway) and the Hon. Member for Victoria (Mr. McKinnon), though they are Conservative Members, condemn this particular aspect of the Budget and encourage the Minister of National Health and Welfare, who says that he fights for seniors, to do just that. They are urging him to meet with the Minister of Finance to say that this measure is unfair, unjust and must be stopped.

The Minister of National Health and Welfare explained to us earlier today that the reason he is supporting this grab from senior citizens is that we need to reduce the deficit. We all know that we must reduce the deficit. However, there is a more appropriate way to do that than on the backs of those people who built this country. Our parents, our grandparents and our friends fought during the wars and were here during the Depression years. They built this country. To ask them to shell out an extra \$1,500 each over the next five years in order to assist us in reducing the debt is, I think, absolutely inappropriate. If we need money, and we do, to reduce the debt, let us go elsewhere for it.

Let us recognize that each year we as a Parliament approve in one form or another tax concessions to large corporations to the tune of billions of dollars. Many of those tax concessions or, as I call them, tax loopholes, are not required and are non-productive. Perhaps they have never been required. However, because of lobbying in the past, we have introduced this measure and that measure. There are dozens of them on the books. Anyone who is honest will say that many of these tax giveaways to corporations are non-productive and do not result in any gain to the country. As a matter of fact, they sometimes result in a net loss to the country. I am thinking of the tax deductions that exist for corporations that are able to deduct the cost of money used for mergers and take-overs. It results in job lay-offs. It results in corporate concentration which is not necessarily in Canada's best interest. Let us turn to some of those people.

● (1700)

We have heard of the capital gains provision in the Budget. The people who make their living from capital gains will not have to pay any tax on the first half million dollars which they accumulate over the next few years. That would be appropriate for farmers who are selling their land to provide for their pensions. It could also be appropriate for small-businessmen who use that money for the same purpose. However, if that provision is used by people to obtain capital gains from investments in the Caribbean, Hawaii, Florida or Palm Springs, is not right. We are asking senior citizens to pay an extra load, while at the same time the folks who speculate in international markets do not have to pay capital gains in Canada. It is not right. I would hope there would be one

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Member in the House, particularly from the Conservative benches, who would stand up and say that the provision for capital gains which is derived from land speculation should not be condoned. I cannot believe it.

It is not only members of the New Democratic Party who have been saying that it is a problem. Newspapers have been filled with editorials about it. I would like to quote from an article which was written by Leonard Shifrin, who writes regularly on economic issues. He has written a number of articles about the Budget, and I would like to read into the record one paragraph of one of the many articles. The article reads:

Eliminating the first three per cent of inflation indexing means pushing the poorest pensioners \$100 further into poverty next year, \$200 further the following year, and so on—an appalling prospect under any circumstances. But giving that money to rich investors through effectively scrapping the capital gains tax is, as one social activist put it, “breathtakingly evil.”

As parliamentarians, we are all aware that a number of tax breaks have been given to certain individuals. Mr. Shifrin's article continued:

According to the most recent figures from Revenue Canada, the half-of-one per cent of tax filers with incomes over \$100,000 account for 43 per cent of all capital gains.

That means in 1990, when the new capital gains exemption is in full effect, those with incomes over \$100,000 will get more than \$600 million in tax benefits.

In that same year, the poorest senior citizens—supplement recipients—will lose \$700 million in pension benefits.

Pensioners will not receive the pensions which are due to them, while at the same time certain individuals, particularly those in the upper income levels, will receive hundreds of millions of dollars in additional tax breaks.

A few days ago in Montreal, the Minister of Finance bemoaned the fact that there were far too few rich people in Canada. What we are hearing today from a number of individuals is that we have far too many poor pensioners in Canada. The capital gains provision will place more pensioners below the poverty line. I do not understand why people, of any political persuasion, would support this policy, which is taking money from the purses and wallets of senior citizens, and at the same time giving hundreds of millions of dollars in tax breaks to upper income earners in Canada.

It has been a privilege to have had the opportunity to participate in this debate. I hope that my colleagues opposite will explain how capital gains which is derived from land sales in Florida will be a good thing for Canada, when the Government is asking the senior citizens to bear a very great burden.

**Mr. Fennell:** Mr. Speaker, it is interesting that NDP members continue to talk about owning a condominium in Florida and making a capital gain on that property. Today, most Canadians who own properties in Florida place them in corporations. Otherwise, if anything should happen to the owner, the property would be subject to succession duty, which consists not only of the capital gain, but also of the base value of the property. Therefore, all Canadians have been advised to place the property in a corporation. That capital gains would not be of any benefit to the corporation, it would only be of benefit to