

Income Tax Act, 1986

\$60,000, \$70,000 and \$80,000 per year salary range. In fact, those people will gain disproportionately, by thousands of percentages, as compared with a very poor family in Canada earning \$10,000 per year. Poor families will not benefit from the capital gains exemption.

Let us look at people who have profited from capital gains. For example, using 1982, a person earning \$10,000 took advantage of approximately \$6 of capital gains. However, if we look at the person earning \$200,000, this particular measure would mean a tax saving of \$4,032. Once again the Government is aiming its tax measures at those Canadians who already have, and its Budget is aimed at those Canadians in the top four earning percentage of the population, those Canadians earning more than \$50,000 per year.

Was the Government given that huge mandate on September 4, 1984, to fight only for Canadian earning over \$50,000 per year? No, it was elected to speak for ordinary, average working Canadians who are being sold out—

[*Translation*]

—sold out by this budget. It does not deal with the problems of employment among Canadians.

With the amendment put forward by the Hon. Member for Laval-des-Rapides (Mr. Garneau), in fact we are asking the Government to reconsider the matter of capital gains for rich people, unless those gains are directed to Canadians companies, firms and jobs. Quite obviously, Mr. Speaker, the Conservatives are not interested in jobs. We saw that in Montreal East. In the case of *Gaz métropolitain* and Ultramar, we saw that this Government is not interested in jobs, it is not interested in canadianizing the petrochemical industry. This Government would much rather enrich people who already earn annual incomes of \$200,000.

What the Liberal Party is proposing is an amendment which would guarantee that anyone likely to benefit from the capital gains provision will do so only by creating jobs or investing in Canada.

Mr. Speaker, there is nothing politically devastating in asking that tax policies be consistent with the interests of Canadian men and women.

[*English*]

It is not a revolutionary notion to suggest that tax policy be directed toward creating jobs in Canada for Canadians. That is the mandate of a Parliament. The Government and the Prime Minister (Mr. Mulroney) were elected, promising jobs, jobs, tens of thousands of jobs. In fact, in this one tax measure, this one proposition, the Government is saying to Canadians that it does not care if they spend their money propping up a regime in South Africa by buying South African diamonds, by investing in a condominium in Hawaii or by purchasing racehorses from Europe.

In this amendment we are not asking the Government to reconsider the whole question of capital gains. We do not have the right in this Parliament to make the Minister of Finance

(Mr. Wilson) turn his back on this kind of fiscal irresponsibility. We are simply asking him to make a condition of the capital gains exemption that jobs and investment be created in Canada for Canadians. Is that such an heretical notion? Are we in the Liberal Party heretics because we want the Government to encourage tax policy which will result in Canadian investment by Canadians and for Canadians in Canada?

The Hon. Member for Edmonton East (Mr. Lesick) talked about small business. If the Government were so concerned about small business, it would have brought in a policy that permitted small business people to use capital gains for the sale of businesses within families. It chose not to do that. It chose to adopt an arms length attitude, which means that almost every small business in Canada will not be able to take advantage of the capital gains exemption unless they sell out to a foreign interest or to another interest unrelated to them or to their families. This giveaway or bail-out which is being accorded by the Prime Minister and the Minister of Finance is simply the continuation of a policy which has favored the rich, the "haves" and the wealthy at the expense of the middle class and ordinary working Canadians.

There is a fear which is gripping Canadians. I think it is particularly prevalent among the middle class. The workers in the east end of Montreal have seen their jobs abandoned by a Government which made promises it never intended to keep. The fear is that the Government, having been elected on a platform of jobs for Canadians and of serving the middle class and ordinary working Canadians, has abandoned that responsibility and answers only to its true constituency, that true constituency being those people who will benefit from this \$500,000 capital gains write-off. Canadians realize that only 4 per cent of the population will have the opportunity to take advantage of this particular capital gains exemptions. About 54 per cent of the people who might be considered eligible already earn over \$50,000 per year. Is it the responsibility of the Government to prop up those people who are earning \$75,000 and \$100,000 per year, without even making conditional any request for Canadian job guarantees, or is the responsibility of the Government to live up to the promise of the Prime Minister when he said that his absolute first priority would be jobs, jobs and more jobs for Canadians?

● (1700)

We do not think this amendment is particularly radical. We think it is defensible, believable and supportable by the people of Canada. I ask the Government to reconsider a budget measure which says send your money out of this country, invest it in Taiwan, Tokyo, Tampa, anywhere outside this country and you will get a half a million dollar capital gains write-off; keep that money in Canada and we will not give you a red cent of tax break.

That is the policy which was perpetrated by a Government interested only in helping its friends. It was not a policy introduced by a Government truly interested in developing jobs and in building the Canadian economy. By suggesting, as we have in our amendment, that the condition of Canadianism be