

We do not want doctored and carefully selected evidence that will support the government's decision.

Mr. Guay (St. Boniface): Mr. Chairman, I should like to ask a question of the leader of the New Democratic Party.

Mr. Lewis: Mr. Chairman, the hon. member must have my permission to ask a question, and if he was rising to ask that, let me say that I do not intend to grant that permission.

Mr. Guay (St. Boniface): I rise on a point of order.

The Chairman: The hon. member is rising on a point of order.

Mr. Guay (St. Boniface): The hon. leader of the New Democratic Party has been talking about selling out Canada. Why is it members of his own party—

Some hon. Members: Order, order.

The Chairman: Order, please. The hon. member is not making a point of order, but rather asking a question.

Mr. Lewis: I do not know what kind of so-called point of order the hon. member was putting—

Mr. Guay (St. Boniface): You don't practice what you preach.

Mr. Lewis: We certainly do, Mr. Speaker. Let me tell the hon. member for St. Boniface that if I ever wanted to preach I would not go to him to get my sermon.

At this time in Canadian history, in this difficult situation regarding Canada's economy, we are entitled to all the information that is in the hands of the government relating to the extent foreign control is having an effect on our economy.

I will conclude in two or three sentences, Mr. Chairman, and I will make them shorter than usual. Let me point out that the United States policy of the surtax, the job incentive program and the DISC program will affect many countries in the world, not only Canada, in respect of trade. When the Acting Prime Minister said today that DISC and these other programs would affect Canadian-owned corporations as well as United States subsidiaries he was of course right, but he was right only to the extent that Canadian corporations and others in the western world will be affected by the closing off of trade. In that way, we will be affected and Canadian corporations will be affected. But—and this is one of the points made in the *Canadian Forum* summary, or version, or whatever it may be—because of the extent of United States control of our economy Canada is in danger constantly of having subsidiary operations in Canada closed down or reduced so that Canadian jobs are lost, so that operations are exported from Canada to the United States. In that field Canadian corporations will not be affected. I therefore say I hope the Canadian people will recognize that the government's refusal to make these documents public is a betrayal of its duty to Canada.

• (4:00 p.m.)

Mr. Guay (St. Boniface): Mr. Chairman, I should like to know if the remarks of the Leader of the New Democratic

Party are relevant to the point at issue, at the moment. I suggest they are not.

The Chairman: Order, please. The hon. member for York South has concluded his remarks, but it seemed to the Chair in the last two or three moments he was perhaps going a bit wide in so far as relevancy was concerned. However, in fairness to the hon. member, in his introductory remarks he tied in the matter of future investment in Canada with capital gains. The Chair listened very closely to the hon. member and, on balance, I believe he was relevant.

Mr. Nesbitt: Mr. Chairman, I think we all appreciate that the well-known oratorical style of the Leader of the New Democratic Party has inflamed some quarters of the House, and certainly has brought what he had to say to the attention of hon. members. I can only hope that the very enthusiastic and vigorous manner in which the Leader of the New Democratic Party has dealt with the wickedness of control of the Canadian economy by foreigners will also be evident in his approach to the subject of labour unions with which he is quite familiar. I have no doubt that he will explain his views in that regard on the next occasion.

The subject of capital gains, which is presently before us, is not a new concept of income. I do not want to take up the time of the House in going into the background of the matter, but for some time at least some forms of capital gains have been taxable. For instance, if a person invests every few days in the stock market I believe it has been established—and I think the original case was called the Northrope-Strachan securities case—that this is in effect the basis of his income. If a person makes an investment in the stock market today, makes another investment four years later and receives a profit, it is clear that this income is not taxable. However, if he did the same thing every day it would be taxable. So, in some respects, the concept of capital gains is not altogether new.

When politicians, journalists and others get up on the platform or on the soap-box, as it is sometimes described, they tend to oversimplify the whole problem we have had in respect of exemptions. If we were to ask the man on the street if he believed there should be a tax on capital gains he would probably say "sure" and if asked why, he might say, "if some of these birds can make a fast buck on the sale of a farm which happens to be located where an airport is to be built or if somebody buys some penny stock and makes a fortune on it, should they not be taxed on this?" I do not believe there is any disagreement on that score.

However, the capital gains question is a highly complicated one. It is not something over which we should get carried away in some emotional, dogmatic approach such as we heard from the previous speaker. I believe we must be a little more pragmatic about it. We should look at some of the more complex aspects of a capital gains tax. The Income Tax Act, for instance, has many exemptions. For example, if you should have a very large income you pay a different rate than you would pay if you had a lower income. There are many such examples of provisions which are made for social and equitable reasons and we are prepared to accept them. Apparently the framers of