

*Oral Questions***BUSINESS COUNCIL ON NATIONAL ISSUES**

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, the Business Council on National Issues is one of the loudest big business voices calling for major cuts in government spending. The BCNI in fact has called for "sacrifices on the part of everyone" and said that no money at all should go to business.

Yet, now we learn incredibly that this government is giving \$400,000 as a hand-out to the BCNI to help with the study. Will this government block this hand-out to the corporate elite and tell the BCNI that this is the sacrifice that it must make?

Some hon. members: Hear, hear.

Hon. Michael Wilson (Minister of Finance): Madam Speaker, I should point out to the hon. member that this was a study that we wanted to do in the government. We went to the BCNI and asked it to share in the cost of this study. It agreed to share in the cost of that study. The reason why we asked it to share is because we view the question of competitiveness as a matter which involves both the private sector and the public sector.

We are participating in that study, the BCNI is participating in the study, and I believe there are others who are participating in that study, because we believe that with a partnership, with both private sector and public sector addressing this problem, we can have a broader commitment and therefore broader chances of success.

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CAPITAL GAINS TAX

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, while we are on the topic of hand-outs to the BCNI, I have another question for the Minister of Finance pertaining to the draft legislation that he released on February 11 that allows people to keep the capital gains in private trusts safely sheltered from tax beyond the original 21-year period that ends in 1993, allowing some of the wealthiest families in Canada a tax dodge potentially worth billions of dollars.

I want to ask the minister, given his persistent rhetoric about burden sharing and deficit reduction, how he can

justify a measure that would allow the super-rich to avoid a tax that they have had 21 years' notice to pay, while calling in his recent budget for everyone's help in sharing the burden of debt.

Hon. Michael Wilson (Minister of Finance): This is one other example where this government is closing a loop-hole.

The provision was originally put in place in 1971 and explicitly called for more precise rules surrounding this particular rule, and it was contemplated that those rules would be designed prior to the termination of the 21-year period.

What the paper that I released in February does is provide those precise rules which permit the government to put a tighter control on this and avoid the extension of the rule, as my hon. friend would allege.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the minister knows that what he is referring to could have been done by another means and is only part of the legislation that I am referring to.

The fact is that this amounts to, as Professor Neil Brooks has said, "a gift worth several billion dollars". Katherine Bush of Blake Cassels says "the government is giving away money".

The fact is that this is a boondoggle, this is a tax break for the very rich, and it belies everything the Minister of Finance says about burden sharing and deficit reduction.

Will the minister rise now and make a commitment not to bring this in; to deal with some of the problems that need to be dealt with in another way, but not to provide this tax break to the rich.

Hon. Michael Wilson (Minister of Finance): I would point out to my hon. friend that if we do not do this, it will be a tax break to the rich. What we are proposing to do with the paper that I put out on February 11 is to bring in far more precise rules to avoid the extension of these trusts, which could be done under the existing rule.

It is another example of this government tightening up on tax provisions to make it far easier for this government to gain a greater share of revenues from people in upper income brackets so that they will bear their fair share of tax.