

Now that there are probably \$70 billion wrapped up in family trusts and now that his government has extended the Liberal program to provide a tax-free holiday for an entire generation, for the wealthiest families of Canada, can he explain if it was wrong back in 1972 how can it be right today in 1993?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member should really do his homework on this issue.

What we are doing in the current legislation is indeed closing a loophole which allowed the prevention of taxes being paid on capital gains. That is precisely why this measure will improve that and make it more fair and equitable, as I am sure the hon. member would want us to do.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the fact remains that many people who know what they are talking about have called this a very significant tax break in the millions of dollars for some of Canada's wealthiest families. Yet the Conservatives want to extend this Liberal loophole as they have done with so many other things, just showing the similarity between the Conservatives and the Liberals when it comes to things that affect the very powerful in this country.

I want to go back to a question I asked the Minister of Finance last week which he did not answer. It has to do with the business and entertainment tax deduction, another loophole which many in this country use to finance their box seats at hockey games, Expo games or whatever the case may be.

Previously the Minister of Finance said to me that he could not change it because we had to remain competitive. The Minister of Finance now knows that the Americans are looking at changing it. I asked him in the House last week if he would look at changing it and he did not answer the question.

Will he now answer that question? Will he look at changing that deduction?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, since the hon. member is influenced by what the Americans do, I should ask him whether he is now in favour of a national sales tax, a

GST or a value added tax which the Americans are considering as well.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, you just cannot get the Minister of Finance to answer the question with respect to the business and entertainment tax deductions.

Why do we not try again? The business and entertainment tax deduction, is the government thinking of changing it now that it can do so without harming our competitive position with respect to the United States?

While he is at it, if the Minister of Finance is concerned about loopholes, could he explain to the House why the Canadian government voted against Interfirpol, an organization suggested to deal with the way in which other countries become tax havens and put countries like Canada at a disadvantage? Why did the Government of Canada vote against creation of that?

Mr. Speaker: The hon. member has put his question.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I know the hon. member is not a great supporter of the small business community and I know he is not a great supporter of the Canadian Restaurant Association.

An hon. member: Answer the question.

Mr. Mazankowski: He will just have to wait and see what the budget holds.

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AIRLINE INDUSTRY

Mr. John Manley (Ottawa South): Mr. Speaker, my question is for the Minister of Transport. Yesterday in response to the report that Transport Canada is failing to collect landing fees owed by some air carriers, the President of Air Canada said:

If that is the way the game is played to keep the field level we would like to play it the same way.

Thousands of Canadians in financial difficulty would dearly love to forgo their taxes as well. Why has the government been discriminating among air carriers in the collection of these fees? When did it become government policy to let businesses off the hook for unpaid taxes and fees owing to the Government of Canada?