

Government Orders

gave a very thorough presentation on behalf of small business. He made this statement: "Well, you know, our small businessmen want to be able to make the deduction as it relates to inheritance".

What the hon. member for the NDP and the government were forgetting, what we raised questions about, was what the Government of Canada did in this House in December. It totally removed the 21-year rule. As you know, Mr. Speaker, when the capital gains tax was brought in in 1971, the loopholes had to be closed. You would normally pay your capital gains upon your death, but a trust does not die. We had the 21-year rule. At the end of the 21 years all capital gains owing from assets would become payable. Twenty-one plus 72 is 93. In 1993 all of those deferred taxes, if you want to call them that, would come due.

The Government of Canada in December changed the law. It claimed it was closing a loophole. I read its material. It certainly was not closing a loophole. It said: "We are going to put it off for another two generations". It has changed the law so that the deferred taxes for the past 21 years will now be paid with the death of the youngest member of the family. The government then turns around and says: "Tell us where to find the money". I am referring to people with vast fortunes, people who have incredible amounts of money, not your ordinary everyday millionaire. These are people who have tens of millions, hundreds of millions of dollars, who can tuck away millions and millions without even bothering with it because they would like to maintain control of it forever.

The government in this House changed the law in December, affecting what somebody can claim as entertainment. Talk about tax expenditures.

When you close a loophole, you should make sure you are closing it, that you are not opening it up for all kinds of things that should not be there. When a tax accountant or a tax lawyer sits down, some of the brightest minds we have in this country, their job is to try to see how they can save money for the person paying the bill. They are some of the brightest minds in Canada. They are good at it. The Government of Canada was asked: "How far can we go in claiming entertainment? We know that we can claim 80 per cent of the cost of a

private box in the Montreal Stadium or at the ballpark in Toronto, the Skydome, \$50,000 or \$70,000, those nice cosy rooms that have these big mirrors that go up—"

An hon. member: That's a cheap one.

Mr. Baker: That's a cheap one? And there is service brought in, and so on. The hon. member says that is a cheap one. Well, it is paid for by the taxpayers of Canada. How about having a private box for those people on welfare? How about having a private box for people on unemployment insurance? What about it? They would love to have a cosy box with a mobile telephone when watching the baseball game. It is taxpayers' money. Then there are the very expensive meals, some of our best restaurants, compliments of the taxpayers of Canada, 80 per cent of it. There are other things that are claimed which are not as legitimate. The government changed the law last December. It told the accountants and tax lawyers two years ago: "We are going to change the law so that you will not have to ask us any more how far you can go. You could claim yachts back in 1977, but we closed that loophole".

• (1200)

You tell me I have got two minutes, so I had better get to what the government did in December. As the hon. member for Broadview—Greenwood knows, the government changed section 67(5) of the act. It said that as long as something did not contravene the Criminal Code of Canada and as long as it was not listed as an exclusion in the act, it was permissible.

That makes all kinds of things legal. That has led to stories and interviews about masseuse services and escort services that are not against the Criminal Code and that are being claimed as a legitimate expense, compliments of the taxpayers of Canada. And the minister turned around a minute ago and said: "Tell me where to find the money". The parliamentary secretary stood up and said: "Tell me where to find the money".

The money should not be found on the backs of the poor of this country or on the backs of the ordinary persons in Canada. The money can be found because it is being wasted today in grants by the Government of Canada, disguised as tax expenditures. The minister says: "Tell me where to find the money". Billions and billions and billions and billions of dollars. The government should be thoroughly ashamed of itself.