

Government Orders

That is the provision of this act. The trust cannot be rolled over or anything like that for another period. It has to be collected at that one point. I drew two or three of those types of situations in my law practice before I came to this place. There are a lot of these types of situations.

Another situation that often occurs is when there is a family business and it is felt that in the interests of the family that the shares of the business stay in one block. The consequence is that the shares are held by a trustee in a block for all the family members. Under the provisions of this statute the trust would have to be wound up and the capital gains on the assets in the trust would have to be paid on the death of the last family member.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, the hon. member knows that there is such a thing as an anti-avoidance rule. The hon. member knows that if people are trying to get around the 21-year rule they have to go before a judge and prove that they are not just trying to avoid paying taxes.

I want to ask the hon. member this question since we gave unanimous consent for this bill to go to his committee. I want to ask him this question. There are going to be witnesses. The associate dean of Osgoode Law School said that in his opinion the number of trusts involved represent not only most of Canada's billionaire families, but multi-millionaires, your basic millionaires and those who certainly earn more than your average household income. They can afford to pay those taxes now and the country certainly needs them. By letting the trusts off the hook the government is allowing a substantial amount of tax revenue to be deferred just when it needs it most.

• (1240)

The dean of the University of Victoria Law School in British Columbia, Maureen Maloney—the hon. member wants to talk about lawyers—says that it is nothing more than an interest free loan from the government to Canada's wealthiest families.

A tax expert is quoted today in the paper. The paper says: "Toronto tax lawyer Kathryn Bush has reviewed the legislation in draft form for her clients and said yesterday

the government's replacement for the 21-year rule may be more generous than intended. It is entirely wide open. It could have been less generous".

Is the hon. member prepared to call these witnesses, these experts who certainly know more about trusts than a great many members in this Chamber, who have expressed their opinions and have talked about Canada's billionaires benefiting? Will the hon. member give a commitment that he will call them as witnesses before the committee?

Mr. Blenkarn: Madam Speaker, I would think that it would be absolutely imperative that we have the benefit of Professor Neil Brooks. He has made all sorts of allegations that this particular provision is a tax avoidance scheme. It is imperative that the members of the committee hear from Professor Brooks. I did not know there was another dean in Victoria but we could call her too. I think it is imperative that we have Professor Brooks before us.

I want to assure my friend that if Professor Brooks is right we will have to make sure that the statute does not go beyond the committee. However, I suspect that we are going to find that Professor Brooks is so full of New Democratic Party logic that his testimony will be of that nature.

Mr. Baker: Madam Speaker, the hon. member has made a somewhat disparaging remark about the associate dean of Osgoode Law School. I also mentioned the dean of the University of Victoria Law School in British Columbia, Maureen Maloney, who is recognized as being an expert on tax law in this country. The other lady I mentioned is a recognized tax lawyer in Toronto, Kathryn Bush.

Is the hon. member saying that these experts, the dean of the Victoria Law School and the tax expert that I just mentioned, are associated with a political party in this Chamber? Is that what the hon. member is saying?

Mr. Blenkarn: Madam Speaker, I do not have any knowledge concerning the lady from Victoria or the lady who writes in the newspaper, though I usually find newspapers not all that accurate in this country. I think that even the hon. member will agree that the day they get it right will be a frosty Friday.