

**NEWS RELEASE**

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IMMEDIATE**

**FEDERAL BUDGET IS COURAGEOUS AND IMAGINATIVE  
SAYS HEAD OF BUSINESS COUNCIL ON NATIONAL ISSUES**

In a preliminary comment on the federal government budget, the President and Chief Executive Officer of the Business Council on National Issues, Thomas d'Aquino, said, "the first budget of the Mulroney Government is a courageous and imaginative initiative. Together with the November Economic Statement, the Government's initiatives demonstrate clearly its serious commitment to the objectives of encouraging private initiative, managing government more effectively, and controlling the national debt."

The Business Council on National Issues (BCNI) is the senior voice of business in Canada and is composed of the chief executive officers of 150 leading Canadian companies. The combined assets of the member companies exceed \$600 billion and the companies employ more than 1.5 million Canadians. The Chairman of the BCNI is Royal Bank of Canada Chief Executive, Rowland Frazee.

Mr. d'Aquino pointed out that the comprehensive nature of the budget papers and proposals will require careful study by the BCNI Task Force on National Finance, and that a detailed response to the budget must await the outcome of those deliberations.

"Nevertheless," he said, "the direction set by Mr. Wilson is commendable, and many of the budget's proposals will do a great deal to encourage economic growth, job creation, and a better balance between the private and public sectors in Canada."

Mr. d'Aquino signalled particular approval for the capital gains tax exemption initiative and for measures encouraging greater investment in smaller business.

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"The new approaches to training and direct employment policies are sound," he said, "and consistent with a point of view long espoused by the BCNI that the private sector -- business, labour, and community groups -- should have the lead role in determining how our human resources can be best deployed."

The BCNI President expressed satisfaction that the results of the Nielsen Ministerial Task Force on Program Review were beginning to show. (The BCNI is a member of the Task Force's Private Sector Advisory Committee.) "The steps to cut government overhead are positive signs, and hopefully a signal of more to come," Mr. d'Aquino said. "Also, the rationalization of crown corporations and the capping, reduction or elimination of specific programs -- including some of those of which business is a principal beneficiary -- is an approach the BCNI strongly endorses."

The social policy component of the budget demonstrates that the Mulroney Government is prepared to combine fairness with common sense. "The approach to pension reform, and the more selective targetting of social benefits, are good examples," said Mr. d'Aquino.

Addressing the issue of tax fairness, Mr. d'Aquino said, "the Government quite rightly has taken steps to curtail certain advantages that traditionally have accrued to higher income Canadians -- this is totally appropriate in a budget aimed at imposing overall fiscal responsibility."

Mr. d'Aquino commented on steps to control the national debt. "The BCNI would have preferred," he said, "a more vigorous assault on the national debt relying more heavily on expenditure reductions." "However, the Government continues to move in the appropriate direction, and the combined revenue/expenditure package demands sacrifices from a broad range of Canadians. Members and individual companies that make up the BCNI are doing their part by carrying part of the burden."

Mr. d'Aquino concluded by saying "through Mr. Wilson's budget, the Mulroney Government has moved an important step forward in the supremely difficult task of shifting the Canadian economy and the attitudes of Canadians towards an environment that will be more socially progressive, entrepreneurial and competitive. The best hope for jobs and economic growth is that the momentum signalled by November 8 and May 23 will accelerate in 1986 and beyond, and that an increasingly confident business community will run with the challenge."