

## FINANCE

## CORPORATE TAX STRUCTURE

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, my question is directed to the Minister of Finance whose economic statement resulted in about \$4 billion being cut from a variety of program expenditures. However, the billions of dollars involved in corporate tax expenditures were not touched. In the days following his statement the Minister indicated that he would be studying the matter and the Government would be looking into the restructuring of the total corporate tax structure. Is that study under way, and will it result in changes being introduced via the Budget in an overhaul of our corporate tax structure?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I would like to remind the Hon. Member that certain things have flowed out of the economy in particular in my economic statement. We do have, as some would say, tens of thousands of new jobs, but you can count it up to about 100,000 new jobs since the turn of September. There has been a significant drop in interest rates. We have seen a very positive performance in retail sales during the month of November, directly in response to the economic statement. A lot of very positive things have come forward.

In response to the specific question, yes, work is going on right now in the Department on the whole question of tax expenditures. I hope that I will be bringing something forward around the time of the Budget, in that connection.

## STUDY TIMEFRAME

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, will that study be completed by Budget time, and will the overhaul of the corporate tax structure be part of the Budget, or will that study continue beyond the budget date?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member is asking a question about a very, very complex area of tax reform. It is not going to take place within the period of a few months. However, we should have a very good basis for judging the basis of that reform so that decisions can flow quickly from it.

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[Translation]

## EMPLOYMENT

## MELCHERS AND WABASSO—GOVERNMENT POSITION

**Hon. Jean Lapierre (Shefford):** Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Since September 4 of last year, Quebec has been suffering a number of severe setbacks owing to loss of jobs. In the Montreal area, the Government has made cuts in VIA Rail and the CBC. In Berthier, Melchers has closed down, and the

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economy in the Saint-Maurice area will be severely affected as a result of the liquidation of Wabasso and the resulting loss of nearly 1,200 jobs. My question to the Minister is as follows: Is the Government going to become financially involved in "rescue operations" for Melchers and Wabasso instead of standing aside and blaming the workers for their misfortune, as the Minister of Public Works did last week?

**Hon. Flora MacDonald (Minister of Employment and Immigration):** Mr. Speaker, we have decided to offer the services of an industrial commission to help unemployed workers in Montreal—

[English]

I would say to the Hon. Member that, in addition to the commissions which will be working with these groups, whether in connection with the lay-offs at Wabasso or Melchers, we are also examining the various sectors in the Trois-Rivières region and other regions to see whether or not they can now be designated for additional programs such as ILAP, the modified ILAP, or whether they come under the terms of SERB. I am looking at these programs in conjunction with my colleagues, the Minister of Labour and the Minister of Regional Industrial Expansion.

[Translation]

**Mr. Lapierre:** I have a supplementary, Mr. Speaker.

I am delighted to see that the Minister is willing to use the previous Government's programs which she has been known to criticize with considerable fervour. However, the people of Trois-Rivières and Berthierville are very uneasy, since they know the Prime Minister is an expert at creating ghost towns.

I would therefore ask the Minister what specific measures she intends to take to prevent Berthierville and Trois-Rivières from meeting the same fate as Schefferville.

**Miss MacDonald:** Mr. Speaker, I said the Government was very concerned about the lay-offs at Wabasso and other companies. I have already announced that we would start helping committees to assist the workers concerned, and we shall continue to help workers in this industry.

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[English]

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## CORPORATE TAX STRUCTURE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is for the Prime Minister. I hope he will cease muzzling himself for the Question Period on this point.

Before Christmas the Government announced over \$4 billion in cuts in programs affecting ordinary Canadians. The Minister of Finance has just acknowledged that the \$20 billion tax expenditure program which benefits corporations, and which the Auditor General and many businessmen have called into question as entailing millions of dollars of potential waste