

Oral Questions

million will pay no taxes, and that Hudson's Bay with profits last year of \$50 million will pay no taxes, and considering what the Prime Minister himself promised in the 1984 election, will he now deliver on that promise and make sure that these companies, as well as others, will have to pay a minimum tax when they make profits? Will they pay taxes like other Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, a number of important initiatives have been introduced by the Minister of Finance since 1984 to ensure that all Canadians pay a fair share of tax. A large number of tax avoidance measures have been introduced. I might point out to my hon. friend that we shut down one of the great scams in the history of Canada introduced by the Liberals, the SRTC, which drained almost \$1 billion out of research and development in Canada.

My hon. friend mentions Alcan, Hudson's Bay, and other corporations. I would have to examine to see whether these corporations took losses in the past, whether they made investments, whether these are "loss carried forward" situations.

[Translation]

I know that Alcan is creating thousands of jobs in Saguenay—Lac-Saint-Jean. Is the Hon. Member suggesting that we ought to do something against the interests of Alcan even though the company has followed the basic rules applying to Canada?

[English]

With regard to the fairness situation, my hon. friend can do a great deal in regard to the importance of fairness that he raises. The Minister of Finance has introduced tax reform which will mean that eight Canadians out of ten will pay less tax, that nine seniors out of ten will pay less tax, and that 875,000 Canadians will pay no tax at all.

He should support the Progressive Conservative Government. There is a fundamental measure of tax fairness.

● (1430)

REQUEST THAT MINIMUM CORPORATE TAX BE INTRODUCED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am sure the Prime Minister has at his fingertips additional material on his briefing note that will show that after 1984 his Government increased taxes on the average family by some \$1,300 and that when these so-called reforms are put in place the only people who will be paying lower taxes than when the Conservatives were elected in Canada in 1984 will be the richest 2 per cent of Canadians. That is the so-called reform coming from the Government.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The Prime Minister cited a number of companies that perhaps did not make any profits in one year

and therefore are not paying taxes. We agree that if, in a given year, they do not make profits then they do not pay taxes that year. I would have thought that the Prime Minister would do as his friend Ronald Reagan of the United States did. He brought in a minimum tax. When a company makes a profit, it pays taxes, as they do in the United States. Therefore will he bring in tomorrow a Budget that will ensure that the 60,000 companies that will be profitable will not go scot-free but will pay their taxes like other Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Ronald Reagan will be delighted with the compliment from the Leader of the NDP. I will phone him right after Question Period.

Some Hon. Members: Oh, oh!

Mr. Mulroney: My hon. friend is asking me to be—

Mr. Riis: Fair, honest.

Mr. Mulroney: Talking about projections and predictions, I should remind him that when the Minister of Finance in 1984 introduced his Budget the Leader of the NDP stood up in the House and predicted that our Budgets would mean the loss of 150,000 jobs in Canada. He was dead wrong in his economic projections. There were not 150,000 jobs lost. There were 1.1 million new jobs created. That is how wrong my hon. friend has been.

With regard to tax fairness, obviously we want everyone to pay his or her fair share of tax. However, my hon. friend, and I may be wrong, just went down to Montreal. He talked about incentives for medium and small business—*la PME à Montréal*—and he talked about tax incentives. When a company accumulates tax incentives it takes tax write-offs to create jobs. That is exactly what the Hon. Member was suggesting on the weekend, that they have these kinds of incentives to create employment.

When a company does that, it is not violating fairness if it takes those tax write-offs in a subsequent year. That is part and parcel of programs put forward by the NDP in Manitoba and by the NDP in this House. You cannot have it both ways.

Some Hon. Members: Hear, hear!

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THE ADMINISTRATION

CONFLICT OF INTEREST CODE—POSITION OF ASSISTANT
DEPUTY REGISTRAR GENERAL

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Prime Minister. I believe he will appreciate after 24 hours' reflection that the position announced yesterday by Mr. Jean-Pierre Kingsley with respect