

Oral Questions

before children, seniors and other Canadians are asked to pay 7 per cent on every cookie and muffin they eat and movie that they see?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, both the Prime Minister and I are aware of the proposals that the New Democratic Party have put up. They are not realistic proposals, though. They—

Mr. Riis: Explain yourself.

Mr. de Jong: You think yours is?

Mr. Wilson (Etobicoke Centre): If the hon. members at that end of the House would like me to explain why I do not think they are realistic proposals, I would be happy to do so.

Mr. Riis: Where is the minimum corporate tax, Mike?

Mr. Wilson (Etobicoke Centre): Well, the hon. member does not want to learn about the nature of the proposals and why they do not work.—

• (1430)

The essence of the proposal is to tax the corporations in a major way. This can be done, but I think if the hon. member is realistic and reasonable in her assessment she will see that by doing the things the New Democratic Party would have us do in taxation of corporations, we would drive a good deal of corporate investment out of Canada, creating jobs—

Mr. Speaker: I think the hon. minister is getting well into debate.

[*Translation*]

Ms. Audrey McLaughlin (Yukon): I have a supplementary, Mr. Speaker. When the Minister of Finance introduced his tax reform proposal in 1987, he promised that all corporations would pay their fair share of income tax. Is the government prepared to introduce a minimum 20 per cent tax, on corporations like the United States, so that all profitable businesses will pay their fair share of income tax?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member and her colleagues have raised the question of a minimum tax for corporations on a number of occasions in the past.

The point the hon. member misses when she makes this proposal—and it is a very important point—is that those corporations which are profitable today and are not paying tax are corporations that have lost money in previous years. They may also be corporations that are a conduit for dividend payments, so that a minimum tax of the kind she is proposing would result in double or triple taxation of corporations. I do not believe this is a fair way of dealing with it.

The effect of what she would propose is that a number of small companies in communities right across the country would be hit with tax, would not survive and we would see jobs lost.

The other point which I should also make is that there are about 3,500 companies that pay the large corporations tax. She and her colleagues talk about 90,000 corporations that are not paying tax. Therefore, there are a very large number of those corporations that she would hit that are small businesses. This is not the way we believe the corporate tax system should be structured.

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MINE CLOSINGS

Mrs. Diane Marleau (Sudbury): Mr. Speaker, in northern Ontario first we had the 15 per cent surtax on softwood lumber. Second, we had the cut-back in VIA Rail and Air Canada service. Third, we have had mines closing one after the other. We have had Virginia Town. We have had Kirkland Lake. We have had Cobalt. We have had Temagami, and now we have Elliot Lake. These shutdowns are nothing short of disastrous.

Are these places going to become the Scheffervilles of northern Ontario? What is the government doing right now? What is it prepared to do right now to create jobs, not retrain but to create jobs? The people of northern Ontario want to work.

Mr. Speaker: The hon. member has put her question.

Mr. Hockin: Mr. Speaker—

Mr. MacDougall: Mr. Speaker—

Some hon. members: Oh, oh!

Mr. Speaker: I guess I am going to have to make up their minds. The hon. minister.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, let me answer the question