

Will the minister understand the realities and scrap this tax? There is nothing good about it.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we get the same old rhetoric from the Liberal Party. I have listened to the leader's speech, and not once was there any suggestion, any hint that there was one idea of what alternatives would be.

I have listened to two questioners now, the junior finance critic and the hon. member who spoke most recently, but I heard not one suggestion as to an alternative. I listened to the six would-be leaders of the party last Sunday afternoon and again heard not a whisper of an alternative. They simply do not have the alternatives.

On the question of partial indexation, yes, the tax system is partially indexed. Let me go back to the refundable sales tax credit because that is a very good example of how we have adjusted upwards the thresholds to reflect changing circumstances. We started at \$15,000, we moved that up to \$16,000, then up to \$18,000, and now with the goods and services tax credit, it is \$25,000. Surely that is an indication of our good faith here in responding as things change.

We have done the same with other parts of the tax system, for example, in 1988 when we had personal income tax reform. So, therein two very clear examples is an indication that we are sensitive to the concern that the hon. member has expressed.

Ms. McLaughlin: Mr. Speaker, the Minister of Finance claimed earlier that to introduce a corporate minimum tax would be to send business investment fleeing from this country. If this is the case, I would ask the minister how he can explain the fact that in the United States, which introduced a minimum corporate tax in 1986, the rate of business investment since the introduction of that tax has grown at an annual rate of 6 per cent, almost triple the rate of the previous five years.

I ask the minister, given this evidence, would he not consider the imposition of a 20 per cent corporate minimum tax so that corporations are paying their fair share?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me ask the hon. member a question. The corporate income tax rate for small business is 12 per cent. She is saying

that she wants a corporate minimum tax of 20 per cent. Is she proposing the increase of the—

Mr. Barrett: Graduated. Don't twist it, graduated.

Mr. Wilson (Etobicoke Centre): Well now, we have some adjustments here that the hon. member from Victoria would have us use.

Is the hon. member suggesting a minimum tax of 20 per cent on small business? Is she suggesting companies that are basically conduits for dividends, holding companies, where the dividend income is paid with respect of income where taxes have already been paid should be taxed twice or three times?

Mr. Barrett: Well, come on.

Mr. Wilson (Etobicoke Centre): The hon. member says, "Well, come on". Let us have some explanations as to what the New Democratic policy is going to be.

There are 3,500 or 3,600 companies which are paying the large corporations' tax. Those companies are paying about \$1.25 billion in large corporations' tax. That is levied on companies which have capital of over \$10 million.

She is saying that there are thousands of companies which are not paying tax. I think the NDP has put a number on that of some 90,000 companies or thereabouts. That, by definition, means that 85,000 small businesses would be paying this minimum tax. Is that what the hon. member is saying that her party supports?

Ms. McLaughlin: Mr. Speaker, of course that is not what I am suggesting. It is this government which is penalizing small business, not the New Democratic Party.

I point out to the minister that of the \$27 billion in profits which went untaxed in 1987, 84 per cent of that \$27 billion in untaxed profits was held by companies with profits over \$1 million. That is not small business. The biggest winners were the top 145 untaxed corporations which have average profits of over \$106 million each. They did not pay one cent in tax.

If the finance minister is concerned with small business, as he suggests and as this party is, will he then reconsider and assist small business to reinstate the administrative assistance that he took away on reducing the GST from 9 per cent to 7 per cent, reinstate those administrative funds for small businesses so that they can survive this tax?