

*Oral Questions*

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member I think does know that over the course of the last four years we have shut down a number the tax preferences that corporations could take advantage of which allowed them to reduce their tax liability. Those changes have been made. They are starting to have their impact. The corporations which have not been paying taxes are paying significant amounts of tax right now. In addition to that, we have introduced a large corporation tax which will generate a billion dollars more revenue for the Government of Canada. So we are acting on the very things that the Hon. Member is talking about right now.

REQUEST THAT INTEREST BE CHARGED ON DEFERRED  
TAXES

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, the Minister knows that in the second year after the so-called tax reform, the deferral accumulation went up by \$4 billion. Now in the time it has taken him to answer my question, corporate deferred taxes will have increased by \$70,000. By this time tomorrow, the deferred taxes will have grown by an additional \$10 million. Why does the Minister not do the right thing and charge interest on these deferred taxes?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me say to the Hon. Member that she is misusing this term completely. It is not moneys that are owed by the corporations to the Government. The Hon. Member from Regina says, no. It is an accounting term. It does not represent moneys owed to the Government of Canada. Under the provisions of the Income Tax Act, corporations are allowed to pay less tax than their book amount will show. But we have reduced the number of ways that corporations are able to do this so that there will be less of this going on in future than would be the case had we not made the changes. So the Hon. Member is saying exactly the same things that we are. We are committed to getting corporations to pay more tax, and more than that, we are acting on that commitment.

**Some Hon. Members:** Hear, hear!

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**HOUSE OF COMMONS**

PRESENCE IN GALLERY OF MINISTER OF INTERNATIONAL  
TRADE AND INDUSTRY OF JAPAN

**Mr. Speaker:** I wish to draw to the Member's attention the presence in the gallery of Mr. Hiroshi Mitsuzuka, Minister of International Trade and Industry from Japan.

PRESENCE IN GALLERY OF MINISTER OF IRISH  
GOVERNMENT

**Mr. Speaker:** I also wish to draw to the Member's attention the presence in the gallery of Mr. Vincent Brady, Government Chief Whip, Minister of State, Department of the Prime Minister's Office and Defence who is the leader of an Irish working group on the introduction of television into Irish Parliament.

**Some Hon. Members:** Hear, hear!

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• (1440)

**INDUSTRY**

FREE TRADE AGREEMENT—LOSS OF CONTRACT FOR  
WINNIPEG COMPANY

**Hon. Lloyd Axworthy (Winnipeg South Centre):** Mr. Speaker, my question is for the Minister for International Trade. The Canada-U.S. Free Trade Agreement has claimed yet another Canadian victim.

LGM Graphics, a long-established Winnipeg firm, has announced that it has lost a major contract for the telephone directory in the City of Winnipeg to R. R. Donnelly, a multi-giant printing company in Chicago, as a direct consequence of changes under the FTA. This will cause a loss of jobs and a loss of millions of dollars to the Manitoba economy, and will threaten the potential loss of movement of that company to North Dakota.

Considering that the FTA is directly responsible for this economic blow, I ask the Government to take responsibility for those lost jobs. In addition to offering assistance, I ask the Minister if he will make direct representation to the Tory provincial Minister in Manitoba who is responsible for telephones and ask him to cancel the contract and save the jobs for Canadians?

**Hon. John C. Crosbie (Minister for International Trade):** Mr. Speaker, under the Free Trade Agreement the yellow page directories had a base rate of 24.3 per cent protection which will be eliminated over a five-year period. However, there is no tariff at all that prevents Canadian firms from seeking the business and competing for the business from the United States.