

them in some kind of economic boycott of Iran, as the Government of France has been asked to do?

Senator Flynn: I think I have something here for you. I do not know if the officials of the department knew that you were going to be questioning me on that, but the answer I have been provided with by the Department of External Affairs—and here I am replying on behalf of the minister—is as follows:

We are looking at all kinds of ways in which Canada, working with other countries, can exert maximum influence on the Iranian authorities to bring about the earliest possible release of the hostages.

We understand the American Government is presently consulting with its major allies as to how to increase pressure on Iran, and Canada will stay closely in touch with these discussions to help us determine what kind of action we might take in connection with any collective measures that may be discussed.

As far as unilateral Canadian action is concerned, it would obviously be less effective than action in concert with like-minded countries, given the relatively small scale of our economic involvement with Iran at present.

IRAN—ADMISSION OF NATIONALS TO CANADA AS STUDENTS

Senator Haidasz: I have a supplementary question. Would the government leader reveal to this chamber the policy of the Department of Immigration towards granting student visas to Iranian nationals, especially in view of the fact that an immigration official has stated that screening procedures for student visas are inadequate.

Senator Flynn: This is rather a technical question, and I will look into it, but I do not think there is any policy at this time to treat Iranian students in any different fashion from that of any other group.

THE BUDGET

SPECIAL CORPORATION SURTAX

Senator Everett: I have a question for the Minister of State for Economic Development. I am a little concerned about the surtax on corporation income tax introduced in the budget last night. As I understand it, it is a tax of 5 per cent on the tax to be paid by each corporation in Canada. Certain corporations, and I am thinking especially of some very large financial corporations, are able to reduce their taxable income so that the percentage of tax they pay in relation to their reported net profit is considerably less than the roughly 50 per cent that would be called the standard rate. If the objective of the government is to derive revenue from corporations in Canada in order to pay the additional costs of some of the programs they have put forward, would it not make sense to impose that tax more fairly on all corporations?

It seems to me that what the government has done is to impose a greater tax on those corporations that are paying the most tax, and corporations that are able to reduce their taxable income—and I have no quarrel with that if they can

do it—will pay less tax than those paying the full tax. The reason I quarrel with this is that in the situation in which we have a temporary requirement, as the Minister of Finance put it, to assist in the payment of programs, why is it not more evenly distributed among the corporations, and why does it hit in many cases the medium-size corporations, and allow some of the largest financial corporations in the country to get away with a lower tax?

Senator de Cotret: I shall have to take that question under notice, because I would like to give you the measure of profit on which the surtax is based. It does exclude certain things. I just cannot remember exactly what the exclusions and inclusions are. Rather than lead you into error—

● (1520)

Senator Perrault: Oh, oh.

Senator de Cotret: Well, some of us are concerned about leading others into error. Rather than do that, I would prefer to verify it to make sure I can give you the specific answer.

Senator Everett: May I ask a supplementary? It might be helpful, in giving the answer, to take, say, the major banks' income taxes as a percentage of their net profits as opposed to someone who is paying the standard rate on his net of 51 per cent.

Senator de Cotret: All right.

Senator Everett: Thank you.

Senator Godfrey: When the minister is looking into that could he bear in mind that, as I have been informed, Stelco has paid no corporate tax in the last four years and does not intend to pay anything in the next nine to ten years because of the large expansion program it has, and the very fast writeoffs for depreciation.

How will it affect companies like Stelco? Will they continue to pay no tax, with this 5 per cent? Could you include that in your investigation as well?

Senator de Cotret: I will be happy to provide you with the answer, senator.

ENERGY

SELF-SUFFICIENCY—RESOURCES AND COST OF DEVELOPMENT

Senator Connolly: Honourable senators, I have a question to direct to the Minister of Industry, Trade and Commerce. It is on a much lower level of urgency than most of the questions this afternoon.

Senator Flynn: At least those of your leader.

Senator Connolly: Honourable senators, I would like to jog the minister's memory about a question I asked a couple of weeks ago in connection with the self-sufficiency program and objective of the government. It would be helpful to the Senate if we could have answers to those questions some time.

Perhaps I should add that those questions are rather far-reaching. I make the suggestions only because I think it might