

income tax system, but there is a limit as to how far this can go without forcing new investment into other countries because the tax system is more attractive there. He will find his friends in Queen's Park will be following that same thinking when they try to raise their level of corporate taxation.

I would like to put two questions, if I could, Mr. Speaker. First, how will he cut interest rates? Second, he wants an industrial bank, as I understand it, that will encourage business to modernize. How will he be encouraging business to modernize? Will there be low cost loans or will there be no cost loans or what? What is the basis? How will that bank do a more effective job than the normal sources of financing such as the insurance companies, the pension funds, or the banks do right now?

**Mr. Langdon:** Mr. Speaker, first, with respect to the large corporations tax, I remind the minister that the definition of large leaves a great many firms within the country that are quite sizeable out of his definition of large. It is certainly a step forward to see to it that some kind of tax contribution is made by those companies, but I do not think that it is a sufficient step insofar as it still leaves vast numbers of companies that are not making a contribution, despite the fact that they are making significant profits, to the tax system in this country.

I am sure that both the minister and I went door to door in the Ontario election that took place recently. One of the things that was most strongly felt by people throughout Ontario was the fact that there was this sense of imbalance in the tax system, that there were some people who were getting off scot-free and these are the people to whom, frankly, Premier Bob Rae's promise of a minimum corporate tax made a great deal of sense. There will be, I am certain, a minimum corporate tax put into effect in the province of Ontario. But that is not sufficient either because, of course, if it just takes place in one province, that province takes the risk of seeing corporations move their head offices to other provinces. So it is up to the minister to start to move. It is up to the minister to start to take action and to put a corporate tax into effect. It has not destroyed capitalism in the United States, I say to the minister, and it will not do so in this country either.

With respect to the two questions which were asked, I say to the minister that since my appointment as critic in

### *Supply*

areas of macroeconomic policy, I have talked with officials from the Bank of Canada. I am quite convinced that they would not have any difficulty using the technical mechanisms which they usually use in terms of the expansion of the money supply within our economy. They would have no problem in bringing the interest rates in this country down. We have a very professional and effective Bank of Canada here and I think the minister should be the first to admit that it would be quite capable of reducing interest rates, if that were its policy.

Finally, with respect to the National Industrial Bank, let me suggest to the minister that such an institution has been at work in the country of The Netherlands for quite a number of years. It is 51 per cent government shareholding, 49 per cent private enterprise shareholding. It operates through a combination of low-interest loans and direct commercial loans which nevertheless take into account the realities of risk which are there in the case of quite a number of industries that are going through adjustment problems.

• (1650)

[*Translation*]

**The Acting Speaker (Mr. DeBlois):** Order, please. The hon. the Minister of Finance on a point of order.

[*English*]

**Mr. Simmons:** He's taking his lesson from Charbonneau. He has had his question.

**Mr. Wilson (Etobicoke Centre):** It is a point of order, and I think the hon. member should apologize for what he just said about the Speaker.

**An hon. member:** Order. Withdraw.

[*Translation*]

**The Acting Speaker (Mr. DeBlois):** Order, please. I recognize the hon. the Minister of Finance on a point of order.

[*English*]

**Mr. Wilson (Etobicoke Centre):** On a point of order, Mr. Speaker. I will not take the opportunity to respond to what my colleague has said but I would like to notify the House that tomorrow will be designated as an opposition day.