

revenue will flow to the Government's treasury. More jobs will be created, and that is what counts.

FUTURE OF MINISTER OF FINANCE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Right Hon. the Prime Minister and it relates directly to the statement just made by the Minister of State (Small Businesses and Tourism), namely that indeed the Minister announced a Budget.

I should remind the Prime Minister that 4.9 million Canadians did not pay a cent in taxes in 1984. Unfortunately, in 1987, as a result of the three famous Budgets of this Conservative Government, one million poor have been forced to pay taxes, yet last night the Government tried to make people believe that in future 850,000 people would no longer pay taxes.

I should like to know from the Prime Minister, after misleading the elderly, after misleading families about family allowances, after misleading sick people with the tax on drugs, I should like to know how much longer he will let his Minister of Finance mislead Canadians generally and the House, considering what he did last night in his Budget.

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I hope the Hon. Member cleared the question with his Leader. It is the second question out of ten that deals with substance and I congratulate him for it.

Clearly there is an increased degree of fairness in the tax system as a result of the changes from tax exemptions and deductions to tax credits. There is also increased fairness in the system because we are taxing corporations \$5 billion more as a result of tax reform. That \$5 billion will be used directly in reducing the taxes of Canadians, particularly Canadians in low-income brackets.

I know the Hon. Member has always shown a great deal of concern for senior citizens. Nine out of ten senior citizens will see their taxes reduced. I think that is the positive way to proceed and I am sure the Hon. Member will congratulate me for it.

[Translation]

OLD AGE EXEMPTION—MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, again the Minister is trying to mislead elderly people. The tax credit is not refundable and he knows full well that 1,400,000 elderly Canadians do not pay taxes and will not get any increase at all. I would like the Minister to tell us why he did not replace the old age tax exemption by a refundable tax credit to make sure that all elderly Canadians are entitled to this tax credit, instead of again favouring the wealthy?

• (1200)

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me respond to that question in two ways. First, we have increased the refundable sales tax credit. That is clearly in the White Paper itself. The second point I would make is that in the second stage of tax reform we want to expand in a major way on the principle of a refundable sales tax credit by paying it not only in advance but paying it regularly, so that people who are in low-income brackets will have the benefit of this tax credit on a refundable basis, on an ongoing basis, and that is a very major increase in the fairness of the tax system.

REQUEST FOR INTRODUCTION OF MINIMUM CORPORATE TAX

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is also directed to the Minister of Finance, or as he is now known, "The Houdini of the Hill", the master of smoke and mirrors. Last night the Minister spoke often of fairness, of restoring equity to Canada's tax system, but the woeful tax package of the Minister of Finance leaves low and middle-income Canadians holding the tax bag again, while 60,000 profitable Canadian corporations get off scot-free and wealthy Canadians enjoy a \$1 billion tax holiday.

Why does the Minister not say yes to a minimum corporate tax? Why does he not say yes to a minimum tax which would generate around \$2 billion extra in revenue and lessen the tax burden on low and middle-income Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I will have to spell this out a little more clearly for the Hon. Member. We have taken a different approach and I make no excuses for that. The approach we have taken is to solve the problem, not put a band-aid over it.

What we are doing by this tax White Paper is to reduce preferences, depletion, capital cost allowances, revenue reductions for financial institutions, a wide range of provisions which are already in the tax system, which have resulted in a number of corporations not paying tax. We have decided it is wrong to introduce a major degree of complexity and arbitrariness into the tax system.

We have also said that we recognize clearly that there has been a good degree of tax avoidance in the system which should not be there. We are taking important measures to reduce that tax avoidance by giving my colleagues, the Minister of National Revenue and the Minister of Justice, the ability to attack these attempts head on and solve the problem in a real way, not with a typical NDP band-aid solution.

Mr. de Jong: I do not think Canadians are going to be impressed by the way the Government will be handling the problem of stopping the tax abuse by large corporations when they realize that, after all the smoke and mirrors, there will still be 60,000 corporations not paying a cent of tax. Canadians are not going to be impressed by the method the Government has chosen to stop tax abuse.