

*Oral Questions***FINANCE**

CORPORATE TAX BREAKS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have another question for the Minister of Finance. It relates to the overhang of corporate tax breaks which, according to recent reports, may be over \$30 billion. Can the Minister explain why no action has been taken in the Budget to curb the use of these tax breaks when his own figures indicate that there was a \$1.2 billion short-fall of corporate tax revenues in 1985-86, a \$2.3 billion short-fall this year, and he is anticipating another \$2.3 billion short-fall in 1987-88? When are you going to stop this kind of short-fall of corporation tax revenues which is being paid by average Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know where the Hon. Member has been. We have been taking action regularly from the time that we came into office and, most recently, just prior to this Budget. Some people have asked me why I took this action just prior to the Budget and not in the Budget. It was for a very good reason. If we had taken the action in the Budget there would have been great anticipation. A lot of these tax avoidance schemes would have been completed just prior to the Budget in anticipation of being shut off in the Budget, so we took action before that. We anticipated the action and saved the taxpayers some money.

We have taken action in this Budget. I responded to his Leader I believe on this question yesterday and today. That answer still stands.

[Translation]

INQUIRY WHY GOVERNMENT TOLERATES TRANSFER OF TAX RESPONSIBILITY FROM CORPORATIONS TO INDIVIDUALS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, a Minister of Finance should be judged by what he does and not just by what he intends to do.

Could the Minister explain why the projected revenue from corporate taxes for 1987-1988 dropped from \$12 billion to less than \$10 billion? This means an additional \$2 billion that must be paid by the average taxpayer. Why does the Minister tolerate this transfer of corporate responsibility to the individual?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, one reason for that drop in revenues is that certain industries in Canada have been suffering quite severe drops in profits over the last year. The energy sector is obviously what I am thinking of. A substantial drop in revenues has been experienced in that sector. Therefore, the tax received will drop off.

I have acknowledged quite clearly that there have been quite a number of tax avoidance schemes of which corporations are taking advantage. We have stopped these on a regular basis as they are brought to our attention.

Mr. Cassidy: You are still losing revenues.

Mr. Wilson (Etobicoke Centre): We have also indicated clearly in this Budget that we are going to bring in a general tax avoidance rule which is designed to get at this problem in a broader way. Finally, in tax reform, we are going to reduce a number of the preferences for corporations. The profitable corporations particularly, which are not paying taxes, will find that they will be paying taxes after tax reform.

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REFUGEES

GOVERNMENT MEASURES

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Immigration. My Party and all Canadians believe very strongly that false refugee claims should be clearly refused and eliminated. However, measures cannot be put in place whereby individuals feeling real torture and facing certain death would be jeopardized.

Given that the Minister removed a list of 19 non-deportable countries, meaning that a Ukrainian refugee can now be deported to the Soviet Union, is the Minister prepared to live with the fate facing such refugees in all parts of the world? Can he table an analysis from the External Affairs Department which justifies the Minister deporting individuals to parts of the world which, as of yesterday, were deemed to be dangerous, immoral, and inhuman?

[Translation]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member misread his documentation, as usual, because this morning I announced the abolition of list B-1, a list of 18 countries to which we do not deport people. People from those countries will continue to be assessed on a case-by-case basis. However, considering the specific example he mentioned, a number of countries, especially countries in Eastern Europe, are subject to a special policy for individuals seeking asylum, and this includes the Soviet Union. These individuals are given very special treatment. So I think that should reassure the Hon. Member. In fact, I wish he would join me in giving all Canadians, and especially those who came to Canada from Eastern Europe, the assurance that we shall continue to give these cases special treatment and that these people can expect to be as well received in Canada as they have been in the past.

[English]

REFUGEE DETERMINATION SYSTEM

Mr. Sergio Marchi (York West): Mr. Speaker, before we would not deport anyone to the Soviet Union. Now if people are not deemed to be refugees by their applications, this Minister will put them on the first plane back to the Gulags.

Some Hon. Members: Not true.