

*Income Tax*

The Minister of State for Mines has been contacted by the B.C. and Yukon Chamber of Mines. It has been pointed out to her that this measure alone which has been taken by Revenue Canada will extract some \$600 million in anticipated revenue that those companies and shareholders would have enjoyed when those stock options were converted to legitimate shares in the subsequent mining companies that materialize from these junior exploration ventures.

In fact, this change of rules runs completely contrary to the kinds of ideas that appeared in the Minister's policy paper. They are detrimental to development of mining and opportunities in that industry. In fact, as the B.C. and Yukon Chamber of Mines has pointed out, rather than strengthening the mining industry at a time when it needs to be strengthened, the Government is making it much more difficult for such companies to operate.

There are problems with the roll-over of one mining company, a junior mining company, to an operating company. The Government implied in the November 12 budget that it would make those roll-overs subject to capital gains tax. It has now decided that this is not such a good idea. However, it is not prepared to say it will rescind the measure. It will now study it in a special committee for many more months.

That is the other major difficulty with many of the measures that were first introduced in the budget of November 12, 1981. They have never been withdrawn. Many of the measures are being studied to death. In the meantime, there is a tremendous reluctance on the part of investors and companies to take any investment risks and expand their capital worth because they do not know what the rules will be a year or two from now. The instruments for saving for retirement such as LAACs, RRSPs and registered profit-sharing plans are also having a serious impact on many of our constituents. The change from the use of the income averaging annuity contracts to the other mechanism that is being proposed by the Minister of Finance (Mr. Lalonde) is, in fact, costing many investors much additional taxation on revenue that they have not yet received.

I see that my time has come to an end. I just want to say that as long as we have an opportunity to debate this important measure in the House, we must continue to point out a number of the deficiencies which are having a very detrimental effect on the economy of Canada at the present time.

**Mr. Lewis:** Mr. Speaker, I am not rising to ask questions of my colleague. Did you intend to give the House the opportunity to ask questions?

**The Acting Speaker (Mr. Blaker):** I thank the Hon. Member. It is a problem for the Chair, under the new rules, to determine whether Members are rising for the purpose of exchanging questions and answers or to debate. Perhaps I could ask if there are Hon. Members who are seeking the floor for the purpose of exchanging questions and comments. Otherwise, I will recognize the Hon. Member for Simcoe North (Mr. Lewis) for debate.

**Mr. Doug Lewis (Simcoe North):** Mr. Speaker, it is my pleasure to have an opportunity finally to address a few remarks to Bill C-139. I think it will be useful to review the process through which this legislation finally came to the House of Commons after 15 months of controversy.

The House will remember that in November of 1981 the then minister of finance, the Hon. Member for Cape Breton Highlands-Canso (Mr. MacEachen), brought in a budget which was completely wrong for the times. That budget created and caused a greater recession than we had as a result of the efforts of his colleagues in the Cabinet. It created quite a stir in the country amongst small business people, farmers and employees, all of whom were adversely affected by this disastrous budget.

The House will also remember that in an almost unprecedented step taken by the Government, the Minister came into the House on December of 1981 and made a statement on motions in which he withdrew several of the measures in the budget which were completely out of step with the times and out of step with what was required to rejuvenate the Canadian economy. Through the spring of 1982 there were further retreats and, finally, another retreat in July. As responsible Members of the Opposition, our reaction was to send some 65 Members of the Progressive Conservative Party across Canada to hear from the public. We took briefs from several dozen interested parties, including individuals and organizations consisting of labour unions and the business community. We received a very representative opinion from the people, which is something the Minister of Finance neglected to get. As a result of the pressures from the Progressive Conservative Party, several revisions were made to the budget.

We were then treated to an amazing act when there was a Cabinet shuffle in the fall of last year. The Prime Minister (Mr. Trudeau) returned from an extensive investigation of western Canada, travelling in a private railway car, and shuffled the Cabinet. I should mention that this Cabinet shuffle per se put the then minister of energy, mines and resources in the position of Minister of Finance. In my riding, several hundred of my constituents are farmers. One of them noted that the Cabinet shuffle was rather like rotating one's crops in a dead field. In any event, the present Minister of Finance (Mr. Lalonde) spent the fall gaining credit for consulting with the financial community and withdrawing things that his colleague, the previous Minister of Finance, had said that he would do. It was rather an unusual way to gain political points, but we on this side understand that the Minister of Finance was trying to undo some of the disasters of the previous Minister.

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At this point we should zero in on one thing with respect to Bill C-139. After 15 months, the Government has finally brought into legislation, which we can debate in the House of Commons, a disastrous budget. Throughout the 15-month period, there has been a great deal of uncertainty and my