

Excise Tax Act

to the Department of National Revenue that persons utilizing this product for the purposes of production would be exempt from tax. The following day he very properly announced to the committee that he was misinformed and that since last October the mines like the lumbering industry and the municipalities had indeed enjoyed the benefit of this decision of the Department of Justice.

I do not want to prolong the discussion. I compliment the minister for reaching this decision. I merely say it was not anticipated as a result of anything he said the last time we were together on this item.

Mr. Fleming (Eglinton): Mr. Chairman, I think perhaps my hon. friend is correct in saying I did not say anything in the committee on that point. We had a number of representations from hon. members and mines and mining associations in this respect, and I had given an indication to them that we would give consideration to their proposals.

Mr. Benidickson: It was not given to your colleagues in the committee; but, however—

Mr. Herridge: Mr. Chairman, I also want to say we in this group are very pleased that the minister has given consideration since the resolution stage to the representations of the mining associations and those of hon. members of the house when the debate took place at that stage. While this will not mean a large saving it will be a valuable thing to many small mining operations that are in a touch and go position at the present time. This type of thing helps them carry on. I know a number of mines that are operating with a very small profit and some with a loss and they are hoping to carry on in the expectation that there will be an improvement in the price of metal in the future under this beneficent government.

Mr. Nielsen: Mr. Chairman, I wish to express the appreciation of the northern mining companies and those engaged in mining operations in the north of this amendment. A good number of hon. members on the government side of the house discussed the matter with the minister inasmuch as we did not have the opportunity to do so when it came up in the committee on the last occasion when the resolution was under discussion. It will effect substantial savings to those engaged in mineral operations in the far north where in some areas diesel fuel and gasoline reaches a cost as high as \$8 or \$9 a gallon. I wish to add my words of appreciation to the minister for this progressive forward step in assisting those engaged in northern mining operations.

Mr. Dumas: Mr. Chairman, like those hon. members who have spoken I am grateful to the minister for having brought in this amendment thus allowing the mining companies to profit by the exemption. As was mentioned by previous speakers, and more particularly by the hon. member for the Yukon, the mining operations in the remote areas will certainly benefit by this exemption. The hon. member mentioned that the price of diesel fuel oil in the northern districts is very high. I am aware that the Tauranis Mines Limited is paying 85 cents a gallon in the Northwest Territories and the price is also high in parts of northern Quebec and Ontario. If the amendment had not been proposed it would have represented a double imposition. The first imposition would be the high price and the second having to pay a tax on top of that. We are grateful to the minister for having brought in the amendment permitting the mining companies to benefit as a result of this exemption.

The Deputy Chairman: The committee has heard the amendment. Shall it carry?

Amendment agreed to.

The Deputy Chairman: Is there any more discussion on "municipalities"?

Mr. Fleming (Eglinton): I think I should tell the committee for the sake of the record that these two exemptions which have been approved, the exemption for logging and lumbering operations and the exemption in respect of mining operations, will, it is estimated, reduce our revenues by about \$2 million. Consequently I have to tell the house that I must revise my estimated budget deficit upward by that amount. It accordingly rises from \$648 million to \$650 million.

Mr. Benidickson: You will have to change it a lot more than that.

The Deputy Chairman: Is there any discussion on "printing and educational"? Is there any discussion on "processing materials"?

Schedule III as amended agreed to.

Clause 9 agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall this bill be read the third time? By leave, now?

Mr. Pickersgill: By leave.

Mr. Fleming (Eglinton) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.