read the second time and referred to a Committee of the Whole.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, before the House rose before lunch I was commenting on a statement which the Minister of Finance (Mr. Lalonde) made when he introduced the Bill for second reading debate. He said, as reported in *Hansard* at page 21521:

> I believe that Canadians as a whole understand that their Government cannot continue to spend more and more while it taxes them less and less.

I was making the point at one o'clock today that it is not merely adequate to try to raise revenue, particularly when one realizes that there is no more revenue left in the pot. The more important objective which this Government has failed to pursue is to reduce the waste and extravagance in the Government's spending program. I was about to remind the House of the $100 million thrown away to bail out Consolidated Computer; the failure of Eldorado Nuclear and the massive amount of waste in that connection; the $600 million annual subsidy to Canada Post and to Air Canada; the lack of financial control and accountability on the part of Crown Corporations as well as the bail-outs of Dome and Maislin which are completely inexcusable. If we do not bring this kind of excessiveness and waste under control, this country is indeed doomed. We cannot continue to rearrange the income tax system and raise new tax levels levied against corporations and businesses. In fact, if we look at the 50 per cent increase in bankruptcies and the 50 per cent decline in corporate profits over the past 12 months, we can see that the only way our nation's economy will be brought back under control is to introduce a much higher degree of awareness in the importance of restraint.

I would like to note that the Minister of State for Mines (Mrs. Erola) herself has some accounting to do to this House. Her travel budget increased from $28,000 in 1981 to $58,000 in 1982. That is a 109 per cent increase. The Minister of Energy's (Mr. Chrétien) travel expenses were even worse. His travel expenses went up by 263 per cent over the previous year.

Mr. Darling: He is energetic.

Mr. Siddon: The Minister of Energy is energetically travelling the country from one end to another. The Minister of State for Mines has a departmental budget which increased from $171 million in 1981-1982 to $223 million in 1982-1983. In fact, the amount is $230 million if you add the supplementary estimates. There is a more than 35 per cent increase in spending by that Department alone. Although the Minister's officials did a very ambitious review of mineral policy in the 1981 period, they now admit the report which resulted from that review is very much outdated. Some of the initiatives it recommended were totally contradicted by initiatives of the November 12, 1981 budget. Certainly that report totally ignored the declining competitive position of Canada with respect to other major world producers of minerals.

The Auditor General commented on this serious deficiency outlined in that report entitled "A Mineral Policy for Canada." It is this kind of misdirected energy and misuse of financial resources that now leads the Government to come before this House to ask for further changes in the income tax laws which were originally intended when the infamous November 12 budget was introduced a year and two months ago to increase Government revenues by some $11 billion. The consequence, of it, because of many of the adverse effects of that budget, was to reduce Government revenues by some $10 billion. Yet here we are debating measures which have already proved to be failures and the Government wants to implement them and make them law. The Government also has the audacity to tell the Canadian people that if we do not make these measures law, those who would otherwise receive income tax rebates will not get them after the taxation year-end on April 1 arrives.

Here is a double standard in telling Canadians that they cannot have their income tax rebates because the budget may not become law at that point while at the same time insisting that tax returns be filed according to the provisions of the November 12, 1981 budget and subsequent corrections. That double standard is absolutely inexcusable.

• (1740)

I would like to discuss some of the specific measures of the Bill as they pertain to Canada's mining industry. At the very beginning, at page one of the policy analysis undertaken by the Minister of State for Mines, we are told that the junior mining industry of Canada is in severe economic difficulty and that, "Unfortunately, this sector of the mineral industry has fallen on hard times because of technological changes which have increased the cost of exploration and taxation changes which have reduced the after tax profitability of new mine investment for junior mining companies."

We can then compare the measures of the November 12 budget with the Minister's recognition that the mining industry is already being excessively taxed, particularly the junior mining sector. We see that the Government is penalizing people further, those who would invest in IAACs, Registered Retirement Savings Plans and other investment instruments, and people who would want to capitalize mining ventures are penalized with the withdrawal of one-half year's depreciation in the first year of acquisition of a capital asset. We see that the Government, through the November 12 budget, is making it much less attractive for Canadian investors to take some risk in helping to provide increased employment for those in the mining sector.

Early in 1982, a team of Revenue Canada tax auditors went to Vancouver and began to audit and reassess a large number of mining company employees who had been taking stock options in return for services rendered to those mining companies. These were professionals such as engineers, geologists, managers, surveyors and the like. While previously, these types of stock options were only to be taxed at the capital gains rate, 50 per cent of the return, Revenue Canada is now taxing these earnings at the full income return and taxes them retroactively, going back as far as five years.