a decision that Canadians will remember. The case was turned down at the Queen's Bench court level; it was turned down by all the judges of the Appeal Court in Saskatchewan. It was then taken to the Supreme Court of Canada, and even though all of the provinces were against this particular type of case because it interfered with their constitutional rights, in 1974 the federal government decided to intervene on behalf of the oil companies and to say that a provincial government had not the constitutional right to tax products which were produced out of its resources and shipped across a provincial border.

This interference with a basic constitutional right of a province is a landmark in Canadian history. We have adopted the American system of letting our courts decide what is the constitution, instead of the legislatures and the people of this country. It is a momentous decision. And it was not very pleasant for me today, having asked this question of the minister of justice in 1974, and having asked the Prime Minister (Mr. Trudeau) about this case on Friday, when I finally got the floor today to deal with a matter so vital to the national unity of this nation, that the Prime Minister deliberately got up and walked out. Immaturity is a disease suffered by many people; it is too bad to see it among prime ministers.

In 1974 the federal government made the decision to press its intervention before the Supreme Court. It pressed the court into this new direction of constitution making without referring the matter to the country. These are causes which all add up to the fact that now on the backs of the miners, not only in Sudbury but in B.C. and all across the country, the load falls. The chickens have come home to roost.

Not only are mines closing and employment is down, Mr. Speaker, but as the minister rightly pointed out, when you take away any prospect of getting a return on capital with these exorbitant tax levels which average 85 per cent, you force shareholders to move their capital to a place where they can make some money. It is not Indonesia that we should be worrying about. The fact is that companies in Ontario such as Stelco, Dofasco and Algoma last year moved to Wisconsin and Minnesota to mine expensive taconite at an expenditure of around $500 million when we can produce the ore at $15 a ton in Canada.

Why will the people of Canada, who will eventually have to buy this steel, have to pay this high price? Because the law relating to return on capital says that you cannot get a person to spend money unless he is going to make money. Unless, of course, you want to be socialistic and do it at twice the cost.

Although the mining industry is in a serious mess, Mr. Speaker, the difficulties are not insoluble. The tax level is too high. The goose is almost dead. Everyone is trying to grab the gold out of the goose and the goose, before he dies, is trying to stagger out of the country and recuperate.

But we do need answers, and we need them fast. First of all, we must end this silly squabble between the federal government and the provincial governments over who is going to take the most out of the goose. Secondly, we need new methods of financing. This is the responsibility not only of this government but of the companies themselves. It is all right to have long payouts when you have low interest rates and capital is easy to get. But now that capital is expensive and costs are many times greater, interest accounts for 75 per cent of the cost of running a mine in the early period. We must have quick payouts.

I have spoken on this matter many times in the House over the last four or five years, and although this has been true for many years, it has now become very significant. Under this proposal which I have been putting forward, a proposal which applies to a person who buys a house in this city as well as to a big capital intensive mine costing $150 million, we must get this money paid back fast and reduce the share going to interest to a percentage we can handle, say 10 per cent or 15 per cent of the total cost.

Thirdly, we need a national development policy. There is only one party in Canada which has never deviated from one of its primary purposes, and that is the P.C. of this country and its policy on national development. We know that development has to have the activist leadership of a government, not to run business, not to own plants, but to get things moving, especially in view of our geography, the nature of our markets and, above all, our transportation difficulties.

Because we are a northern country, we have to keep in mind the quality of life factor which is very important in developing the mining industry. As I look ahead for my country, Mr. Speaker, I know we will have at least four new industrial complexes in this country, in addition to the big one which we now have in the eastern townships of Quebec running through to Sarnia and Windsor. These new additional industrial complexes will be the Atlantic provinces; the Quebec-Ontario border area right across the north and the clay belt; the Alberta-B.C. banana-shaped industrial area based on land, resources and markets; and also the Saskatchewan-Manitoba cordillera, the land base, the water and so on.

I am not here to give the House a lesson on how to do this planning, Mr. Speaker. I am simply giving my best evidence in the form of an example. I want to conclude my contribution to this debate not with a feeling of pessimism at miners being laid off; this is going to continue no matter what the government does. This is the government's own fault with this double taxation to which I referred.

A week or so ago I asked the Minister of Energy, Mines and Resources (Mr. Gillespie) about this, and he said "I know it is pretty tough and the rates are too high, but we do not tax as much as the provinces do". He did not even answer my question, Mr. Speaker. Now, when you get nincompoop answers like that, what are we to think of the calibre of the administration which we have? All this is on the backs of the miners today. They are paying the price and are now like the farmers who found over the last 50 years who always pays. This time it is the miners.

● (1632)

In conclusion let me give you one example of how I see this coming. I will use iron as my example. Iron is used in making steel, and to produce steel you must have water and energy. We only have three rivals in this whole business; the U.S.S.R.,