

Income Tax Act

The Minister of Trade and Commerce has just been speaking about the uranium industry. I come from a mining area. I worked underground for many years and am familiar with some of the mining operations that are carried on. I think it can safely be said that never has so much money been given to so few corporations as is the case in the uranium industry. The people of this nation never intended that the three-year tax free exemption for companies developing oil and mineral resources should be permitted in the case of operations such as those in Elliot Lake in the uranium field. These companies extracted all the minerals from the area. For example, if Rio Tinto had operated the Hollinger mine I doubt that it would have lasted three weeks whereas in fact it has been in existence for 40 years. Certainly it would not have lasted more than a year.

I completely agree with granting a tax concession to a small company which probably will not make much money anyway. Such companies do not cost the Minister of Finance one red cent because he never has to meet his part of the bargain when he offers such inducement. However, in the case of Inco, Falconbridge and some of the other mining companies this concession is gilt-edged. Obviously they are not going to go into production unless they can reap the full benefit. They teeter and totter and do not open the mine until the most advantageous period, and then they give it hell for three years. At the end of that period they close it down, the Canadian taxpayers having provided them with their profit from the operation.

The Minister of Finance is doing the same sort of thing in other taxation fields. This surtax seems to me to be hitting those who are unable to fight back. Very often the only people who protest increased assessments are the corporate entities. They are sometimes joined by smaller businesses in the community but seldom by more than five or six. However, the small people of the nation are not equipped to make any kind of fuss. The big corporations do not need a spokesman here, though they have many. They are quite capable of making their own representations. When some of the major companies in my area disagree with me they come to Ottawa and make representations in person and do so very effectively and efficiently. They try to educate me to their point of view.

So I do not think this kind of concession should be granted the corporations of the nation. Their only objective is to make as

[Mr. Peters.]

much money as possible, which probably is the way it should be. However, the small taxpayers should get more representation. It has been said that those in the low income groups are least likely to object to increased taxation, and certainly they receive very little consideration from the Minister of Finance. During the ten years I have been here I have requested ministers of finance to raise the basic exemption of \$1,000, but this suggestion has received no consideration.

When a miner buys a pair of mining boots he cannot offset the cost against his income tax. The cost of these boots is out of all proportion to the cost of boots used in other industries. The same may be said of other equipment miners have to buy. However, businessmen are permitted to wine and dine their customers at expensive restaurants and charge the cost of the meals as a deductible item. Not very long ago I visited a restaurant in Ottawa and the prices on the menu shocked me. I noticed one man who I knew was in charge of a department in a large store. He told me he was there because a buyer at the store was dining and a whole group of people as a business expense. I am sure the bill came to \$400 or \$500. People at other tables were all on expense accounts and their meals were in effect free. If they were not, then in view of the cost of the meals no one in their right mind would have eaten there.

Although we have been prepared to make all kinds of concessions to these people and allow all kinds of exemptions for their benefit, how many have we allowed the small taxpayers in the last five years? These are the people who will be faced with this temporary tax for many years to come. The tax will remain in effect for longer than the minister seems to anticipate. Most of us will pay the extra tax. The maximum additional amount of tax will be \$600 and those in the top brackets will get off almost scotfree.

● (4:50 p.m.)

We have reached the stage in this country where many employees, instead of seeking higher wages in terms of money, would like to have free meals provided under expense accounts. Many would like their firms to provide them with a new car instead of the money for that car. They want to get in on the big-time kick the minister is giving his friends.

This surcharge will not do for the government what the minister thinks it will. In any event, it will not be temporary. I do not