

The Address—Mr. C. Smith

April, 1974. Ontario and Manitoba announce higher mining taxes on mining companies' operations, to begin in 1974.

April, 1974. Quebec says it will assess the mining tax situation. In December, 1975, it enacts new and higher rates effective retroactively to April 1, 1974.

May, 1974. Saskatchewan introduces a reserve tax on potash mines, in effect a royalty.

May, 1974. Federal budget announces end of deductibility of provincial mining taxes and introduction of the 15 per cent abatement, effective immediately.

November, 1974. Mining measures from May federal budget reintroduced intact except that exploration expenses can be written off at 100 per cent instead of 30 per cent.

● (1642)

January, 1975. Newfoundland's Mining and Mineral Rights Tax Act comes into effect, imposing tax on profits and royalties.

June, 1975. Federal budget scraps the 15% abatement (which reduces tax payable) and replaces it with a 25% resource allowance (which reduces taxable income). This is more favourable than the abatement for a company with substantial expenses for exploration, development or interest. At the same time, the federal rate is reduced to 46% from 50% to match rate applicable to other companies.

January, 1977. British Columbia's two-tier royalty system cancelled and replaced with a more normal mining tax on profits.

Mining companies now face a squeeze. There is a rush for tax dollars because the spending of the federal government is rampant. The federal government has to put the squeeze on to get more tax dollars to help offset its anticipated \$9.5 billion deficit in this coming year.

To show how unwisely this government spends I would like to cite the example of the Otineka shopping mall in The Pas, Manitoba. This was an expenditure of \$8.4 million. This is an example of the government spending money to help people in different parts of Canada! This shopping mall was supposed to create a massive number of new jobs in northern Manitoba. I understand that there is an order before the Treasury Board at this time to write off \$4.2 million of the debt. This shopping centre was just opened a little over a year ago.

There was an expenditure of \$11 million in the townsite of Churchill, Manitoba. The government closed Fort Churchill, which used to be operated at an annual cost of \$7 million. The recreational complex in Churchill is beautiful. It cost \$11 million. It was a gift to the people of the town of Churchill. The population of Churchill is only 1,500, and those people are faced with a 70 mill increase in their taxes. They refused to accept the keys for the complex. The keys were then turned over to the provincial government, and this albatross now hangs around the neck of the provincial government. It is saddled with operating costs in the neighbourhood of \$700,000 a year. This was a great gift from the federal government. I know that the previous government in Manitoba was led down a snowshoe trail with little deals like this with the federal government, but I can assure hon. members that the new administration in Manitoba will not be led down that snowshoe trail quite so easily.

I would also like to mention the AHOP program under CMHC. There is not one single home under construction in the Churchill constituency under the AHOP program, for the simple reason that construction costs in the constituency are 20 per cent higher than they are in Winnipeg, and the CMHC

allows only \$38,500 per unit. It does not matter if it is in the north or in Winnipeg. Considering the lack of housing we have in certain areas of northern Manitoba, that is a program which should be looked at immediately so that we can get some housing there.

I see that my time is drawing close to an end. As I said before, here we are under the bell again. It gives me great pleasure to close off this debate.

I feel that there was a mini budget slipped in through the keyhole, and that is about the extent of the Speech from the Throne.

The only highlight of the Speech from the Throne was that it was delivered by Her Majesty the Queen, and I would like to close on that note.

The Acting Speaker (Mr. Ethier): It being 4.45 p.m. it is my duty, pursuant to Standing Order 38(5), to interrupt the proceedings and put forthwith every question necessary to dispose of the main motion.

Is it the pleasure of the House to adopt the main motion?

An hon. Member: On division.

Motion (Mr. Dawson) agreed to.

Hon. Bud Cullen (Minister of Employment and Immigration) moved:

That the Address be engrossed and forwarded to Her Majesty the Queen.

Motion agreed to.

Hon. Bud Cullen (Minister of Employment and Immigration) moved:

That an Address be presented to His Excellency the Governor General praying that His Excellency will be pleased to transmit to Her Majesty the Queen an engrossed Address, which the Commons of Canada in Parliament assembled, adopted in reply to Her Majesty's Speech at the opening of the Third Session of the Thirtieth Parliament.

Motion agreed to.

Hon. Bud Cullen (Minister of Employment and Immigration) moved:

That the Address to His Excellency the Governor General, adopted this day, be engrossed and presented to His Excellency the Governor General by Mr. Speaker.

Motion agreed to.

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SUPPLY

Hon. Bud Cullen (Minister of Employment and Immigration): Mr. Speaker, I move in accordance with Standing Order 58:

That this House at its next sitting consider the business of supply.

Motion agreed to.

The Acting Speaker (Mr. Ethier): Order, please. It being 4.48 p.m., this House stands adjourned until Monday next at two o'clock p.m., pursuant to Standing Order 2(1).

At 4.48 p.m. the House adjourned, without question put, pursuant to Standing Order.