

Income Tax Act

dropped from \$30 a ton to \$18 a ton. Consequently the royalties paid to the government of Saskatchewan, to that great, free enterprise government headed by a Liberal very much like the Liberals on the other side of the house, have dropped very substantially.

I suggest that if we had not given this kind of preferential treatment to the mining companies the potash industry in Saskatchewan would have developed at a somewhat slower rate and could have sold the new production it brought in from year to year. This applies also to the uranium industry. On an investment of a quarter of a billion dollars it made a profit of over \$250 million or 100 per cent on its investment up to 1964 but only paid \$30 million in taxes. Members of parliament know what happened when the bottom dropped out of the uranium market and who was left footing the bill in Elliot Lake. It certainly was not the uranium companies.

Similarly, the Carter commission pointed out that we have let the insurance companies of Canada get away with murder. They have paid much greater taxes on the small percentage of their business that they do in foreign countries than what they have paid in taxes on their business Canada. So we find a situation where the insurance companies are free-loading on the Canadian taxpayer. In 1964 the insurance companies had assets of \$12 billion. They collected \$1.3 billion in premiums. They earned \$600 million net in investment income but they paid out just \$800 million in dividends or benefits and just \$2 million in corporation taxes. If they had been taxed in 1964 at the same rate as other corporations were they would have paid taxes of \$77 million instead of just \$2 million. This is the kind of situation which the government permits to continue.

It is true the minister said that he hopes, not this year but probably next year, to digest the recommendations of the Carter commission and to discuss them with all the interested parties. We know what those favoured few corporations in the mining and oil fields and in the insurance business will recommend to the minister. I have not much faith that the minister will implement the basic recommendations of the Carter commission.

I want to say in closing that I have no intention of voting for this proposal to implement a 5 per cent surtax on income taxes until the government brings some equity into its tax policy and until it starts to collect from those who can afford to pay a fair share

of the tax burden. If the government does that and it still needs money and proposes an increase in income tax or a surtax on income tax, I might look with a good deal more favour than on that kind of proposal than I am prepared to do now when the government has done nothing, despite all the protestations of the minister, to implement some of the basic and what I consider to be simple changes in the tax structure which the Carter commission recommended and which the minister does not have to study in great detail or depth before implementing.

Mr. Winters: Mr. Chairman, I would like to say a word. I am not seeking to make an issue out of anything the hon. member said but having been associated so intimately with the uranium business I cannot sit here and say nothing. The hon. member asserts that the uranium companies got off scotfree when the slackening in the demand required them to take drastic action which bore quite heavily on them as well as on their employees. Under arrangements made at the time, which can be looked into by the hon. member, he will find that the uranium companies accepted a great measure of responsibility for housing in the area and paid continuity bonuses to the employees. They assumed heavy expenses in closing down the uranium mines so as to rationalize the industry. All in all I think they showed a very large measure of responsibility in very difficult circumstances.

• (4:40 p.m.)

Mr. Peters: Mr. Chairman, I did not intend to enter the debate until I heard the Minister of Trade and Commerce. I have been very interested in the role of the Carter commission which considered many of the matters we have discussed in the last few weeks, particularly the matter we are now discussing. I thought the hon. member for Nickel Belt gave a very good answer to the minister the other day when he suggested we implement the recommendations in the Carter commission report. He said he would be in favour of that and certainly our party would.

Over the years municipalities have discussed changing assessments on property in order to bring them up to the proper level. Whenever this is suggested someone always says that if housing assessments are changed it will affect business, which is undesirable. Apartment building owners also object and instead of adjusting assessments uniformly across the board a lot of exceptions have been made.