

In order to summarize the argument of this government, and in fact of all past governments, I should like to indicate that the operations of government are not a business. We are not engaged in making a profit, nor are we trying to make a profit. So far as most of the government's operations are concerned, such as, for example, the distribution of old age pensions and the family allowances, the government is not conducting a business and it is not endeavouring to make a profit. The problem here is in the legislation regarding a business tax which goes up as high as 140 per cent with regard to breweries, and down to 30 per cent, 40 per cent or 50 per cent of the tax paid on the realty.

● (1632)

Although government operations are not a business, equally government officials do not conduct themselves in these offices as if they were in a residence, in a home. It is obvious that they should be paying commercial rates, and somewhere along the line we should find some common ground. Although the government is not conducting its business in the same manner as companies are in the private sector, it must be recognized that the government should pay some tax or grants in order to assist the municipality in defraying the cost of its annual expenses.

I am very pleased that the Minister of Employment and Immigration (Mr. Cullen) is in the House this afternoon. He is becoming more and more influential with his cabinet colleagues. He has a very special interest in the Ottawa ridings and in the other ridings in eastern Ontario and so I ask him to take my message to his colleagues that there should be a slow-down in the movement of public servants to Hull, to permit our economy to catch up and to permit the public service to grow and fill these buildings. Also, through you, Mr. Speaker, I appeal to the Minister of Employment and Immigration that an accommodation be made by the government with respect to grants in lieu of taxes. I know that all members of parliament representing the Ottawa area concur in my appeal to the minister.

I should like to make some comments now on the matters raised by the Solicitor General (Mr. Fox) in his speech earlier today. I make these comments because if there is anything important in this land it must be adherence to our laws. I had a very interesting year as parliamentary secretary to the Solicitor General and during that time I got to know the present Commissioner of the RCMP, as well as the former one. I also got to know very well the chief of security of the RCMP, and indeed many other officers of all ranks with whom I have worked as a lawyer and as a prosecutor. I have nothing but the highest regard for these men, and I have some understanding of the great difficulty of the work which they do. But the solicitor general indicated that on January 9, 1973, an entry was made into the offices of the Parti Québécois—

**The Acting Speaker (Mr. Ethier):** Order, please. I regret to interrupt the hon. gentleman but I must inform him that his allotted time has expired. Nevertheless, he may continue if there is unanimous consent. Is there unanimous consent?

**Some hon. Members:** Agreed.

### *The Address—Mr. C. Smith*

**Some hon. Members:** No.

**Mr. Cecil Smith (Churchill):** Mr. Speaker, I would like to congratulate the mover and seconder of the address in reply to the Speech from the Throne, the hon. member for Louis-Hébert (Mr. Dawson), and the hon. member for Malpeque (Mr. Wood). I was really pleased to hear the speech made by the hon. member for Malpeque because I believe it was made by a very sincere new member of parliament, and it came from the heart.

The only highlight that I can find in the Speech from the Throne was the fact that Her Majesty the Queen delivered it, because I cannot see any other highlights in it that would bring Canadians out of the malaise in which they find themselves at the present.

I will have to cut my remarks short because I have only ten minutes in which to speak before the bells ring.

In any newspaper one might have picked up since October 20 one could find a headline or an article concerning the mining industry in Canada. Of course they concern the massive lay-offs of employees at Sudbury, Ontario, and Thompson, Manitoba.

Whether it be the lay-offs in Thompson, Manitoba, or the impending closing of the Alcan fluorspar mine in St. Lawrence, Newfoundland, the mining industry is finding itself in a real crunch.

The government is known for pointing its finger at industry and saying to industry "It is time you cleaned up your act. Give us some forecasts of what the mining industry is going to do. Get your act together," as the Prime Minister (Mr. Trudeau) would put it, and tell the government what action you are taking and what the long range forecast is. However, I would like to refer to an article which will be appearing in the *Financial Post* tomorrow, October 29. The heading reads: "Mining's Tax Crunch". It reads:

Ever since Ottawa's white paper on tax reform in 1969, the mining industry has faced the prospect and the fact of substantially higher taxes.

Mining companies have been caught in the middle of the heated disputes between the federal and provincial governments about which jurisdiction should receive the revenue. In some cases, the conflicting rules have meant a potential tax of more than 100 per cent.

I have a timetable before me pointing out the major tax changes that have taken place since 1969 after the Trudeau administration came into power. I would like to refer to a few of those in the short time I have. Here we have the government telling the mining industry to get its act in place, and here are federal and provincial governments coming in with 13 major tax amendments in less than ten years.

The timetable reads as follows:

November, 1969. The white paper on tax reform proposes withdrawal of the three-year tax-exempt period for new mines, effective, January 1, 1974.

August, 1970. Ottawa announces that, after 1976, provincial mining levies will no longer be deductible.

January, 1972. New federal Income Tax Act comes into effect. It contains new measures relating to mining tax.

February, 1974. British Columbia introduces mineral royalties act and amends the mineral land tax act. Both changes apply to two tiers of royalties—a basic royalty and a royalty on so-called super profits.