Mr. HANSELL: When would the minister like to be engaged in such a discussion, because we shall be glad to suit his convenience?

The DEPUTY CHAIRMAN: Order.

Mr. MacNICOL: Following up the inquiry of the hon. member for Calgary West as to whether the production of oil is a mining operation or not, what is the minister's view of the operations of those who are planning to produce oil from the sands of the Athabaska river? That is definitely a mining proposition. Will they have any consideration in the matter of exemption?

Mr. SMITH (Calgary West): It is absolutely a mining operation, done with shovels, mining the oil from shale. It is mining and nothing else.

Mr. ABBOTT: I repeat again what I said before, that the question only has significance in the case of a profits tax being imposed by a provincial jurisdiction. There is no provincial jurisdiction which imposes a profits tax on the production of oil today. That is my information. Therefore at the moment we are discussing a hypothetical question. It is an interesting one, and I always like to discuss hypothetical questions, but it has no practical significance in connection with this amendment.

Mr. SMITH (Calgary West): But once something gets on the statute books and is interpreted, it stands that way. I agree with the minister that what they get is a royalty, in our province one of 12½ per cent. The minister generously said that he allows them that, and I appreciate his generosity in that particular. Of course it is none of his business anyway because the province owns the resources. I am not suspicious of the minister; I am suspicious of the government of the province in which I live, and I should like the views of the minister perhaps a little more expertly directed than he has shown up to the moment as to why the drilling of an oil well is not a mining operation.

Mr. ABBOTT: That is a question to which I would have to give the most careful consideration. I would hesitate to try to give a snap answer this evening.

Mr. SMITH (Calgary West): I will accept that; I have been stalled quite often and I have become used to it.

Mr. MacNICOL: I have not yet received an answer to my question.

Mr. SMITH (Calgary West): You never will.

Mr. MacNICOL: Does the minister consider the production of oil from the tar sands of Alberta the same type of business as the production of oil from an oil well?

Mr. ABBOTT: That is a question I am not really competent to answer. The answer is the same one I gave to the hon. member. It has no practical significance, because I believe that there is no profits tax as such imposed by the province on the particular development to which my hon. friend refers, and I have never had to consider it.

Mr. SMITH (Calgary West): You spent millions of your own money up there.

Mr. ADAMSON: Is it true that there are only two provinces, namely the provinces which have not come into agreement with the dominion, which impose corporation profits tax on mining operations? Is that so?

Mr. ABBOTT: No. I believe there are other provinces. I would have to check, although I am told that Saskatchewan has a type of taxation which is called a royalty, but which is, in fact, on a net basis.

Mr. ADAMSON: I know the circumstances of that tax which operates on a particular property. The point I am making is purely and simply directed to exempt taxes paid by mining and logging companies which pay corporation profit taxes to the provinces.

Mr. ABBOTT: Not necessarily corporation profits taxes. This is profits tax or income tax on income derived from logging or mining operations, and it would not necessarily have to be a corporation; it could be an individual who has engaged in that type of work.

Mr. ADAMSON: An individual engaged in cutting trees? I have never heard of a case like that. If he paid taxation it would be on a stumpage basis, would it not?

Mr. ABBOTT: Probably it does not exist today; but suppose a provincial government imposed an income tax, as it is free to do. It could impose it on a man who was engaged in logging and mining operations. It would have to be a special tax imposed with respect to these two types of operation; but it would be clearly within the rights of a provincial government to impose such a tax. I do not know that they do now.

Mr. ADAMSON: Therefore you are getting to this; you are exempting from double taxation mining and logging? That is the basis?

Mr. ABBOTT: That is correct.

Mr. ADAMSON: Mining and logging are exempt from double taxation?