

Government Orders

Capping the Canada Assistance Plan for the next two years will cause welfare costs to increase. Combined with the changes to unemployment insurance, this will put an additional burden on municipal property taxpayers.

Other areas funded by the Canada Assistance Plan affecting provinces and municipalities are day care and other social programs that municipal governments have been handed. We had a case in point in Sudbury just recently. There was a proposition that a number of subsidized day care spaces be funded by the municipal government. The municipal government felt that it just could not find the additional cash to do this. It is already very worried about its own tax base. I feel very confident that it will find the moneys for these additional spaces over the next six months or so and I encourage them to do it. However, it bothers me that there is a cap put on that funding so that it will affect even further any additional spaces that might be considered.

We must remember the number of children who are in need of adequate child care because they are being raised by single parents, single mothers and fathers, who must go out and earn a living if they are to not remain on the welfare rolls. One thing leads to the other, if parents do not have adequate day care and subsidized day care, how can they go out and find any kind of employment that will offset the kinds of costs that are associated with having a family? We must help them so that we do not have generations of poor children growing up in a very rich land.

I am going to spend a little more time speaking on the cancellation of CEIP. CEIP is the Canada Exploration Incentive Program. It affects gas and oil as well as mining, but I will be referring in my comments mostly to the mining sector because that is the one with which I am the most familiar.

The Canada Exploration Incentive Program was announced in May, 1988. The program was designed to assist the junior mining and oil and gas sectors in raising equity capital to enable the exploration of oil, gas and mineral reserves in Canada. CEIP provided cash incentive contributions to qualified corporations based on 30 per cent of eligible exploration expenses incurred pursuant to a flow-through share agreement. The 30 per cent incentive rate was to be fixed until December 31, 1990. It was stated that after that date the rate may

change, however, a minimum of six months' notice would be given prior to any change.

That is what we were given to believe in December, 1989. Program administration had been designed to ensure prompt payment of incentives, and application processing, inspection and auditing procedures were intended to be as straightforward and efficient as possible.

In the mining sector this was put in to take the place of another program which had been cut back, another program which had really helped greatly in the mining sector. I refer to the Mineral Exploration Depreciation Allowance which had been in place since 1983.

We all recall in the early 1980s the dire straits that the mineral industry was in, especially in northern Ontario. I refer to the Sudbury basin when the price of nickel plummeted well below \$2 and there were no profits anywhere. The mines in my area were shut down for 10 months. It was a very difficult time for my area in particular and it was a very difficult time for northern Ontario and all of the mineral industries there.

• (1710)

In 1983 the then Liberal government introduced the Mineral Exploration Depletion Allowance to encourage the investing of moneys in the mining industry. Subsequent to 1983 there was an increase in the amount of funds that were invested in junior mining firms.

In the mining sector, when the minerals are pulled from the ground, there are no new ones. They do not grow back. The mining industry is responsible for, I believe, 25 per cent of Canada's exports. That amount of exports generates a great deal of tax dollars.

When a mine runs out of a mineral, the only way of replacing an empty mine is to find a new deposit. Therefore, it is absolutely essential that we continue to explore and find new sites so that a very viable, very good mining industry which we have developed in Canada can continue to flourish.

Therefore, in 1983 the government decided to try to encourage it because it was in dire need. In 1987, as much as \$1.4 billion or \$1.5 billion was being invested in exploration and development of new mines across the country. Of course, that was too good and we could not let it continue so we cut it off and we brought in another program and again we promised that we would not cut that one back and then we replaced it overnight by CEIP and now again we have been told that there would be no