

it, and you can get a copy of the report in the library, entitled "The Effects of Taxation on Base Metal Mining in Canada" supported financially by the two main levels of Government.

The report says in effect that there will never be another mine developed in Canada as long as the present tax regime exists. This document was supported financially by the Government, yet no one has raised this as a subject of discussion. Until we read the reports presented to this Parliament and prepare policies to meet them, all the rhetoric in this House is useless. We must read, study and do something about it. What I want to do today is to outline three or four points that should be in the policy of any Government. I certainly know they will be in the policy of the new Conservative Government after next year.

Let me say at the outset that, unknown to most Members of the House, something has been done in the last two or three years. I refer in particular to the 1981 budget of the present Government. It brought in a whole series of measures in the so-called MacEachen budget that roused this country to furious opposition. It led to the promotion of the Minister to higher places. It led to a complete demoralization of almost every aspect of our industrial set-up. In that uproar we forgot that hidden in all these proposals was one that brought some justice to the mining industry. If I may use general words, it allowed to those who invested in the mining industry, the junior mines, the same right of flow-through of shares that corporations have always had in relation to the oil and gas industry. The former Minister responsible for Mines, now the Minister of Consumer and Corporate Affairs (Mrs. Erola), did make one speech on it and did send out a press release. If I had been a supporter of resources on the Government side, I would have trumpeted that policy all across the country. It has been in effect for over two years and, outside of that one case, I know of no other.

The brokerage firms have not taken advantage of this and have not made it known to their customers. This is where a person can invest in a mining company directly into the Treasury, get a tax deduction for his investment and get the right to shares. When he pays his taxes, he pays them on the basis of the capital gains on the shares that he purchased. This is one good step.

In 1983, the same Government gave recognition to depletion which in effect equalled what you got in oil and gas, and what was available to corporations is now available to individuals. I could add that that research is now available to industry, but I have never seen that in a clear press statement. Maybe I missed it, but I know it is available.

What then are my proposals? First, I go back to the basic beginning of all mining discoveries, the old-fashioned prospector. He still has the track record of being the most successful of any type of operation, including all the high technology and electronic techniques for finding mines. Of all the biologists and the rest of them, he still has the best track record. The prospectors used a canoe or jeep. They now use helicopters.

If the prospector found a successful mine, we have always awarded him by giving him a \$50,000 deduction off his five,

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ten, twenty or thirty years work. With the high cost of helicopters, the risks and one thing and another, we have to improve that deduction. I am not the final authority on what it is worth, but I would certainly suggest between \$250,000 and \$500,000 for that man who spent years of his life hunting, either on foot or by helicopter, for those things that can only be found by a hands-on operation.

Second, I have divided this investment proposal into several parts: a) the flow-through pattern that I have enunciated should apply to any form of mining and any form of energy production. If you think that through, you see that all of a sudden these heavy oils of Alberta and Saskatchewan become economic. All these oil sands projects which are stalled in northern Alberta and which can only be put forward by tremendous sums of money advanced by Governments' would become roughly economic. You are drawing equity in the form of a 100 per cent deduction which is prepared to wait for five, ten or fifteen years for any return. It cuts out the heavy front-end loading charges. We must also consider all the geothermal energy that exists in British Columbia, Alberta, Saskatchewan and a little bit in Manitoba. All through that whole area that runs from Michigan to almost Hamilton, through the Gaspé area and the Cumberland Basin there are hot water and hot rocks underneath the ground. We have so much fun whenever there is an earthquake or a volcano erupts. They can be making money for us. Let us milk that hot water, harvest it and put it to use.

● (1750)

I would like to suggest, in quantitative figures, that on the basis of the information from scientists in Ottawa who have done a tremendous amount of work on this subject and from information from the oil and gas industry mainly, there is now 360 times more Btu's of energy in the hot water underneath the Prairies than there is in all of the gas we will ever discover. When we realize that we have already located, on a potential basis, some 440 trillion Btu's of gas, we can then multiply that huge figure by 360, which gives us the amount of Btu's available through geothermal energy. The advantage of hot water energy is that it is renewable. You can use it and then send it back down to get reheated again.

In effect, this would mean that we would offer tax incentives not only to oil and gas and to mines, although the people who handle the shares of those mining companies have not told the people about it, but would offer them to all of these other forms of energy including heavy oils, oil sands, geothermal energy, low grade energy, energy from the ground, the air, and particularly from the waste. I do not want to take any more time discussing that last item because it is ten times more powerful than all of the others.

The second proposal under the investment approach is to do something that has become a sickness throughout North America for hundreds of years. The concept of financing that Governments have is that the minute one starts to develop a resource, the Government immediately loads on him all of the charges possible. Do you know, Mr. Speaker, that in western