

Borrowing Authority

The Government is not giving the assistance that it would like us to think it is giving. For example, in the Estimates the Government has reduced spending on the Cape Breton Development Corporation. The capital spending has been reduced in the Estimates by \$70 million. That results in the reduction of capital expenditures in the Cape Breton Development Corporation. The Government is saying to people in Cape Breton that it is not going to spend on new capital projects. It is going to maintain, and that is as far as it is going.

As I mentioned, last week when the Minister of Regional Industrial Expansion (Mr. de Cotret) was present, it was unfortunate that the coke ovens at the Sydney Steel plant closed in the first days of the strike, which is still continuing and is of great concern to the people of the area. The workers at the coke ovens were then without work, which was months before they had anticipated that the coke ovens would close. They were also without proper pension benefits. Initially those workers worked with the S and L Railway and had worked with the international piers at Devco. When Devco took over the coke ovens, they came to work at the coke ovens. When the coke ovens went back to Sydney Steel Corporation they were not given pension credits for the period of time that they worked with Devco. Therefore, men who have actually worked at the coke ovens for 30 or 40 years are now only receiving pension credit for 15 years.

When those things are added together, not only do they create a devastating lack of concern for the people of an area, but indicate that the Government is not thinking of regional development, as it would like to have us think it is.

Mr. Riis: I appreciate the comments of my hon. colleague. He is obviously concerned about the problems in the regions of Canada and the lack of what appears to be serious initiative by the Government to offset some of the problems experienced by some of the regional economies. There is a way in which that can be done. When one thinks of the regions of Canada and of the mining industry, it is apparent that the mining industry is present in the East Coast through to the West Coast. It is present throughout the entire north of Ontario and in the northern part of Quebec. Literally everywhere outside urban areas mining exploration is taking place and mines are being developed.

Critical to that industry is the whole matter of flow-through shares. This program was introduced some years ago. It enabled equity capital to be obtained to allow companies to explore the upstream exploration that is required to develop a new mine.

My hon. colleague will also know that, almost without exception, the companies that do the exploration are Canadian-owned companies. They are small and medium-sized, aggressive, entrepreneurial, and 100 per cent Canadian-owned. They are the type of companies that we want to encourage and to which we want to show that we appreciate what they do in terms of regional economic expansion.

I wonder if my hon. friend shares some of those views and what he thinks about the most recent initiative of the Minister of Finance (Mr. Wilson) that has essentially gutted that flow-through share program. Does the Hon. Member believe, if the Government is going to reduce the effectiveness of that program, whether it should or should not introduce other programs to encourage and nurture the exploration industry?

Mr. MacLellan: I would like to thank the Hon. Member for Kamloops—Shuswap (Mr. Riis) for raising that point. It is a very good point indeed. I would like to add to what he has said. The mining industry is probably one of our greatest sources of combating regional disparity. In this country we have many one-industry towns. If our mining industry was to falter, the source of employment for a whole town could disappear. The flow-through shares have been a great source of funding and financial support for those companies.

The Government has stated that the mining companies are making money. The mining companies are doing well. The mining companies are surviving, that is what they are doing. They are not making tremendous amounts of money. They are keeping communities active and they are providing a tremendous number of jobs.

Contrary to many sectors of Canadian business, they are putting a great deal of money into research and development. That is the reason that Canadian mining companies are able to compete. With the salaries that Canadians miners are paid compared to the salaries that are paid in some other countries, the Canadian mining companies are at a very serious disadvantage.

The flow-through shares are not only a luxury, but I agree with my hon. friend from Kamloops-Shuswap, they are an absolute necessity for the health of the mining industry in this country.

● (1540)

Mr. Hawkes: Madam Speaker, it is interesting to see the turn that conversations take toward regional disparity. It is also interesting to note how seldom either opposition Party, and certainly this speaker, stands in the House to say to Canadians that in nine out of ten Canadian provinces the unemployment is lower today than it was in September, 1984 when the new Government took over with a new sense of direction.

It seems to me that the two Parties combined, going back to 1972, decided to plunge the country into debt. Their answer to regional disparity was to give everyone in the country a huge debt load.

I am standing here today saying that it might be possible to spend wisely \$2 billion or \$3 billion on some good purpose. However, we are here discussing a borrowing Bill. We are borrowing money. We are putting debt on the backs of the people in this building and elsewhere in the country. That is what we are doing here today.