

One of the perhaps unanticipated side effects of this policy has been that this double and triple taxation of the products of the mining industry has not only driven the private investor away, which I suspect would not cause the loss of too much sleep in Government circles, but has also in a great many cases priced those products out of the international market.

One of the most striking features in this Government's period of office has been the charts which show, commodity by commodity, our declining share of the world market over time. While each complaint raised from this side of the House for the past 15 years has been that our national economy was faring poorly, it has been met by the bland statement from the Prime Minister (Mr. Trudeau) or his Minister of Finance (Mr. Lalonde) that the problem was a world-wide problem. I challenge them to explain how the fact that the rest of the world has outstripped us at what was once our own game can be anyone else's fault but their own Government's.

The declining share of the world mineral markets can very largely be traced to two factors, both of which are the direct products of this Government. First is the punitive levels of taxation which have contributed mightily to pricing our products out of world markets; and the second is the Government's encouragement of foreign competitors. I believe other Members have touched upon this subject.

Speaking of the decline of the Canadian mining industry, the President of the British Columbia and Yukon Chamber of Mines, in his report to the annual meeting of that organization approximately three months ago, said:

It did not start recently and cannot be blamed on influences from outside Canada, and secondly, it is not caused by a shortage of resources; our problems are mainly 'Made in Canada'.

A review of Canadian and world production figures illustrate clearly that the decline of the Canadian mining industry began between ten and fifteen years ago. Since Canada's share of the world market for individual metals also began to decline during this period, it is obvious that Canada was less successful than other producing nations in opening new mines at a sufficient rate to replace those that were depleted. Moreover, the decline cannot be blamed on world economic conditions since the trend started well before this recession.

• (1250)

Mr. Cathro then concludes the paragraph with the sentence:

The decline coincides closely in time to the Trudeau years and the corresponding swing away from economic policies that encouraged mining.

I could not have put it any better myself or as well, Mr. Speaker.

Let me read one more observation or prediction. This was made in 1976 by Mr. Alf Powis, President of Noranda Mines, who said:

We have accepted uncritically the notion that the state has the duty to redistribute wealth. In the process we have lost sight of the simple fact that wealth first has to be created before it can be redistributed. And once wealth is created, it cannot then be both consumed and preserved. In the words of the old truism, we cannot have our cake and eat it too.

The problem is that never before in history have so many remarkably ambitious and far reaching new social programs been so tightly compressed into such a short time period. In the process Government spending doubled between 1965 and 1972, and has doubled again since 1972—

Supply

We must bear in mind that these words were spoken in 1976. Mr. Powis' observation continues:

—to the point where it now absorbs some 40 per cent of our Gross National Product. And much of this has been financed by printing money. This is not to criticize either these programs or the motivation behind them. In themselves they are directed at problems we all want to see solved. But in aggregate, they are simply much more than we can afford. In the process we have stimulated far too much consumption and starved the investment process that creates new wealth and jobs, and is the only way to beat inflation.

That was said seven years ago. Since that time Government spending has well over doubled again. Inflation, in many ways the inevitable outgrowth of the budgets of the Turner years, has gone berserk and a new factor has been introduced to the scene, the multibillion dollar deficit.

In this environment; the mining executive's international competitiveness destroyed by Government policy, the domestic economy rendered unable to buy his products, also by Government policy, and by yet a third set of policies rendered unable to attract the capital to finance exploration and expansion, the mining executive looks at the budget of last week and says: "Good, that's better."

What directions, then, would I like to see taken? Where would a Progressive Conservative Government be likely to move toward? First and foremost, provincial taxation should be made deductible from federal tax payable. Then we must remove the deadhand of Government taxation.

Further, we must recognize the fact that a capital intensive operation like the development of a producing ore body cannot be cost effective in a closely competitive economy as long as it is carrying both a load of debt and a double load of taxation. I believe we should consult with the provincial Governments with a view to arranging a tax holiday for new producing properties until that debt load is paid off. The Minister did mention in her remarks that recent meetings have been held with her provincial counterparts. Let us hope that particular problem will be discussed and partially solved.

We should expand on the initiatives begun by the Hon. Member for Vegreville (Mr. Mazankowski) when he held the portfolio of transport so as to facilitate the export of our mineral commodities. These initiatives should not be limited to the west and east coast, but should include also an exploration of the feasibility of extending the Ontario Northland Railway to the deep water areas on the east side of Hudson Bay and the construction there of port facilities. Should this prove feasible, what a shot in the arm it would be for the mining industries of northern Ontario and Quebec.

Most importantly, a Conservative Government would act decisively to restore public confidence, both at home and abroad, in the public policies of the nation. The importance of this cannot be overemphasized. Investors, those creatures who are such objects of suspicion to collectivist Governments such as this one, yet who nevertheless are the people who ultimately create the jobs the economy depends on, must be encouraged to invest. They must be shown that they and the jobs they create are welcome, be they individual investors or corporate investors. And they must be assured that so long as they