

*Private Members' Business*

differ from those of many of the provinces. This simply adds complexity to opening new mines.

The mining companies are not asking for grants but they want a level playing field and a tax system that is truly competitive with the rest of the world. There should be security of land tenure and a certainty of continuity in the rules of the game in terms of issuing permits and doing environmental assessments.

After extensive hearings the Standing Committee on Natural Resources have recommended nine key points on mining incentives. These points were also present in the Whitehorse mining initiative report.

I would like to emphasize a few of those recommendations. First, change the adjusted cost base of flowthrough shares from zero to the actual costs of the shares for five years only, to kickstart mining exploration again.

Flowthrough shares would provide a less costly means of raising equity based financing for exploration and development by facilitating a widespread share issue. Flowthrough shares allow access to a broad range of investors while minimizing the impact on corporate management and control.

• (1745)

Second, there should also be harmonization in the federal and provincial environmental guidelines. Co-operation agreements should be established among the jurisdictions for the development, administration and enforcement of environmental standards to improve the efficiency and effectiveness of the regulatory system and to reduce unnecessary industry regulatory compliance costs.

A new mining project should be subject to only one timely environmental assessment by a single lead agency with only one set of recommendations that meet all the requirements. We should try to conciliate conserving the environment with the creation of employment.

Third, we should amend the Income Tax Act to defer taxation of income generated by mine reclamation trusts until the funds within these trusts are finally allocated for reclamation purposes. Reclamation funds should be treated also like RRSPs.

Therefore I support Motion No. 292 by my colleague from Timiskaming. I insist at the same time that we should provide a newer direction for our mining industry and ensure that it continues to make a strong contribution to the Canadian economy.

[Translation]

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ):** Mr. Speaker, I would like, first of all, to thank or congratulate the hon. member for Timiskaming—French River for tabling this motion, and introducing it in the House on June 5 of this year. This motion reads as follows:

That, in the opinion of this House, the government should consider implementing a new program of mining incentives which would encourage exploration and development in Canada.

When he talked on his motion, the hon. member mentioned in this House that in the area of mining, there was a substantial increase in exploration throughout Canada in 1994. However, this is not the opinion expressed by the Association des prospecteurs du Québec in a letter dated March 30, addressed to the Minister of Finance.

The letter said in particular that the government does not seem to realize that there is currently in Canada a lack of exploration which is mortgaging the future of the whole Canadian mining industry. The letter also said that it was urgent to try to replenish our mineral reserves. If we neglect to do that it will have an impact on a whole economic activity which is directly or indirectly connected with the mining and smelting industry in Canada.

I would like to say that we should make a distinction between mining exploration itself, where there was substantial growth in 1994 compared to 1993, and activities dependent on mining exploration, which also grew in 1994. We should mention, however, that despite this strong growth, we are a long way from the levels which existed in the early 1980s.

This being said, we can realize the scope of what the hon. member for Timiskaming—French River was saying and I quote: "Despite this, major problems and impediments still exist to a sound and sustainable mining sector in this country." It is in this context that the hon. member was asking the House to press the government to implement a program of incentives which would encourage exploration and development in the mining sector in Canada.

Of course, there is no reason why we should oppose this motion, even though it seems to be nothing but an expression of intent. However, assuming that the House of Commons agrees to this motion at the time of the vote, what will it give us that we do not have already?

The problem is not that Motion M-292 is inappropriate, but that it is not sufficient to solve the mining problem in Canada. In its report on the Canadian mining industry that was tabled before Parliament in December 1994, the Standing Committee on Natural Resources made a series of recommendations that all committee members, whatever their party affiliation, agreed on.

Of these recommendations, there are two that I will now outline for you. First, recommendation No. 3 which says: "That the federal government introduce a mineral exploration incentive by modifying the Income Tax Act to incorporate a change in the adjusted cost base of flow-through shares from a value of zero to the actual cost of the shares".