

*Private Members' Business*

Along with an exploration incentive program as called for in the votable motion being debated today, there also must be an overall competitive and supportive investment climate. This will create the proper framework in which mining can thrive and this will in turn promote exploration.

We must work hard to find solutions. We must work hard to keep mining in Canada. While world demand for minerals is increasing, Canada's share of world mineral supply is declining and mining investment capital is leaving Canada for other parts of the world.

The mining industry has worked hard to reduce costs, improve its environmental and safety performance and increase productivity through technological innovation and upgrading of worker skills. Yet today the industry faces its toughest challenge of all to keep mining in Canada.

According to the Mining Association of Canada, in 1992 there were 28 closures or temporary shutdowns of mines compared with only eight openings, meaning a net loss of 5,800 jobs. From 1981 to 1991 there was a decline of nearly 40 per cent in investment levels in the sector. Between 1986 and 1991 Canada failed to attract a single new mining project with a capital cost of more than \$250 million. By contrast, Latin America had five. These facts make support of my colleague's motion so important. It centres on the encouragement of exploration. This is crucial.

We know that investing in exploration and development is the only way to ensure a future for mining in Canada but from 1991 to 1992 more than 150 companies worldwide reduced spending on Canadian projects by 30 per cent. In 1987 Canadian companies spent 81 per cent of their exploration budget in Canada. In 1992 that number went down to 61 per cent. In contrast, over \$7 billion has been committed to exploration and development in Chile, Mexico, Venezuela, Argentina and Bolivia.

It is ironic that Canada is the biggest foreign investor in mineral exploration in Chile with over 40 Canadian companies involved. The average government approval for a mining operation takes six months in Chile as opposed to three years in Canada. When Chile is admitted to the NAFTA agreement, what chilling effect will this have on Canadian mines?

Earlier in this Parliament, the Standing Committee on Natural Resources conducted extensive hearings with all the stakeholders. The result was nine key recommendations on mining incentives which my colleague from Timiskaming—French River has outlined.

Canada has the resources, skilled workforce, infrastructure and commitment to environment and technology to support a prosperous mining industry today and in the future. But without a strong co-operative effort to keep mining here, this may well

be the last generation of miners in Canada. As future mining activities shift to other countries, the decline of Canadian mining would have a devastating impact on over one million Canadians living in mining communities or working in businesses related to the mining industry.

Through this motion, it shows we urgently need a national mining strategy with policies and actions that will reverse current trends. Mining is important to Canada and we must support Motion No. 292. Canada has always counted on its mining industry to be a key foundation for export driven growth.

Today mining is a \$20 billion industry in Canada. We must keep it growing and thriving. I am certainly supporting this motion and I urge all hon. members to do the same.

• (1825)

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, it is a pleasure to enter the debate on Motion No. 292 in the name of the hon. member for Timiskaming—French River who from time to time is my seatmate. I am sure his constituents in mining communities such as Kirkland Lake, Cobalt and Haileybury are very proud of his initiatives in the House in support of the mining sector.

Over time as Canadians became more involved in the service sector they have forgotten some of their roots that go back in our history over the last 200 or 300 years. The mining sector was a very important part of it.

We all consume goods and products that come out of mining. We are either consumers or work directly in mining or do both. Invariably during the day we consume some products that actually started off in the mining sector.

I will refer to some of the statistics: 4.2 per cent of our GDP is accounted for by the mining sector and 14.6 per cent of Canada's entire export trade is related to the mining sector. It directly employs 327,000 people. These are some of the positive statistics and I will now refer to some negative ones.

From 1991 to 1992, 150 companies in Canada reduced their worldwide expenditures in our mining sector by 30 per cent. There were reductions of expenditures from \$430 million to \$302 million. In 1987 Canadian companies spent 81 per cent of their exploration budgets in Canada. By 1992 that had declined to only 61 per cent. As the previous member mentioned, ironically Canada and Canadian companies are now the biggest investors in Chile. Over 40 companies are involved.

What is happening to our mining sector? Our own companies are leaving. Why is that? In one word it is taxation in spite of interjections by members of the third party. It was surprising when I heard the hon. member from the third party talk about flow through shares. I have listened to that party constantly talk a flat tax or tax changes which would eliminate flow through