

workers have adequate tools for adjustment, retraining and severance pay.

Clearly, the mining industry in northern Ontario is facing grim times because we are not only talking about the half a dozen mines in the Temagami and Kirkland Lake area, but the ones in Algoma. We are not sure about the situation with regard to Wawa; it is another mine in the area north of Sault Ste. Marie about which there is some uncertainty in the next two years.

One of the things which the government has removed in the last two or three years is the MEDA, the Mine Exploration Development Assistance grant and flow-through shares. That program, which was instituted in the 1983 budget and implemented in 1984, in the last four or five years put literally hundreds of millions of dollars into exploration and development in northern Ontario and resulted in a number of mining operations being approved there. Without that program, I am not sure whether we are going to see many new mines come on stream. I really am very concerned. There was a report in *The Globe and Mail* this morning with the headline: "Canadian Mining Facing Uncertain Future". It documents how the lack of exploration and development funds is going to have a profound impact on the development of new mines because there simply is not the kind of incentive necessary.

We have a number of other decisions in the budget which are extremely harmful. That MEDA program was done away with a couple of years ago. The CEIP program was done away with in the current budget. The incentives for assistance in areas such as northern Ontario and western Canada for oil, gas, and mineral exploration will be completely lost under this system.

A number of other programs should have been in this budget a few weeks ago removed funding for programs like the Small Craft Harbours Program. It is a very small program by national standards. I think there is \$3 million in the Ontario regions. Let us put into perspective how much the small craft industry does for the province of Ontario compared to what the federal government spends in it.

The industry of small craft harbours, when you take into account fishing boats, licences, tackle, and all the rest of it, turns back something like \$150 million in sales

### *Supply*

taxes to both the federal and the provincial governments. Out of that \$150 million it receives each year, the federal government provides a budget for the Small Craft Harbours Branch of only \$3 million. Imagine, in an industry which is so very valuable to the whole tourism economy of Ontario, the two levels of government take roughly \$300 million on a shared equal basis in sales tax, and retail sales tax from the province. The federal government obviously will take more under the goods and service tax, if it is ever implemented. The federal government turns back about \$3 million in the Small Craft Harbours Branch. I am very sorry to see that decision made in the budget.

There are many aspects to regional development that are important. Small craft harbours is important in my constituency, it isn't in all constituencies in northern Ontario. Chiselling away at each department, as the recent budget did, has an extremely adverse impact on the economy of northern Ontario. Our economy is based on the resource industries and tourism. It is based on minerals; it is based on some agriculture in some areas; and it is based on forestry. Clearly, the pulp and paper side of the forestry industry for the past few years has gone through an unprecedented period of growth. While it is coming into a period of consolidation right now, it has been strong. One of the most important employers in northern Ontario is the forestry industry. In 1987 when the government signed the agreement to impose a 15 per cent export tax on the industry it drove a stake into the heart of that industry. It is clearly an incredible decision made by our government.

• (1600)

The hon. member across the way knows that if the government had let the United States impose its countervail duty of 15 per cent, or whatever, it could have been easily appealed to the International Trade Tribunal in New York, we would have won it the same as we won it in 1982. It was strictly a sell-out by the Government of Canada that was in the final stages of negotiation with the Government of the United States on the free trade deal. They thought this was a giveaway. It was a token that they gave the United States industry. In British Columbia, in order to get rid of it, the government had to impose something like \$600 million in stumpage fees. In Ontario, we chose not to. It has to be a most asinine deal.