

*Oral Questions*

• (1500)

**PROPOSALS ON ECONOMIC UNION**

**Mr. Gaby Larrivée (Joliette):** Mr. Speaker, my question is for my hon. colleague, the Minister of National Revenue. According to an article published on October 4 in the *Journal de Montréal*, the finance critic of the Parti Québécois said: "Otto Jelinek has just revealed the true nature of the federal proposals by saying that Ontario would never have increased its deficit 300 per cent had the economic union been in place." Mr. Speaker, can the minister explain that statement, taking into account that the Minister of Federal-Provincial Relations says that the new proposals for economic union will have no effect on the province's budget policies?

[English]

**Hon. Otto Jelinek (Minister of National Revenue):** Mr. Speaker, I believe that concerns arise out of the misleading headline in *Le Devoir* last week which did not reflect what I said to the Canadian Institute of Chartered Accountants, nor indeed did it reflect the body of the article under that headline.

In order to clarify the situation, let me quote directly from the transcript when I said, and I quote: "The economic union package does not interfere in any way, shape or form from the provincial jurisdictions at all, budgetary or otherwise. It is not interfering with anybody's process".

I said that last week, I say it today, and I will say it tomorrow.

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**MINING**

**Mr. Cid Samson (Timmins—Chapleau):** Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

The mining industry in northern Ontario is in dire need. Last year in the Timmins area alone we lost approximately 1,000 mining jobs. Every second day, at least once a week, we hear of a mine cutting back or closing down.

My question to the minister is: What is the minister going to do to help this industry?

**Hon. Jake Epp (Minister of Energy, Mines and Resources):** Mr. Speaker, the hon. member puts forward a valid question and one that is being debated both with provincial ministers and the federal government. There was a recent meeting of mines ministers in Halifax, at which time a number of industry representatives were invited including prospectors and developers.

There are some who would like to see new incentives especially for the junior companies. Most who have been giving us advice know that is not the way to go, and I agree with them.

In terms of mining, there is no question that competitiveness is taking over. It has to. Also, in terms of modernization, we seem to see some of that, for instance in Sudbury and Thompson, just to mention two.

Hopefully we can get an MDA agreement very quickly with Ontario which would help in putting forward not only new technology but also through that new technology getting additional reserves.

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**ALGOMA STEEL**

**Mr. Steve Butland (Sault Ste. Marie):** At least the government is consistent. The answer is no.

I have a question for the Minister of State for Privatization through you, Mr. Speaker. On Monday the minister suggested that indeed the assistance as indicated by Finance was in order for Algoma Steel. An official from Industry, Science and Technology suggested that what the minister had said was not the decision or the final opinion as stipulated by Industry, Science and Technology.

Who knows the final answer? What is the final answer? Will there be tax credits? Yes or no.

**Hon. John McDermid (Minister of State (Finance and Privatization)):** Mr. Speaker, we have set out criteria for tax credits in those employee shared projects. The criteria is there. The provincial government of province of Ontario knows what the criteria are.

Some of the criteria cannot be met by Algoma and that is why that particular project was not approved. But the criteria is there for certain share ownership of employees. I sent the criteria to the hon. member and I am sure he understands what it is.