

Government Orders

currently having to be made. The cost of increased production is unmanageable. The only choice in order to remain solvent is to reduce jobs.

In 1992 two of the coal mines in my constituency closed, causing the loss of 1,900 jobs in an area with a population of approximately 10,000. We can see the significance of this. Although the mines have reopened, they now only employ half the original number of employees. The House should also be aware of the fact that human resources development currently has decided to go against a ruling by Revenue Canada and is going after registered retirement pension funds of the former employees in an attempt to regain overpayments of UI.

I am currently fighting that on behalf of the workers in the area. We get an idea of how far we have gone. Some of these people are losing their homes and the government, right now with two departments in conflict with each other, is going after these people's registered pension funds. I find that absolutely, totally unacceptable.

● (1705)

Back to the issue at hand, the Canadian mining industry is already taxed higher than any of its international counterparts and because of the larger tax burden Canadian coal has become less competitive in international markets. The fact is that international prices have plunged 35 per cent in metallurgical coal and thermal coal has plunged 20 per cent since 1987. Yet what has happened to taxes? We know what has happened to taxes. They have increased.

Another problem for the coal miners in my area is that mineral minimum taxes are more than three times higher for coal mines and hard rock mines in British Columbia. Property taxes are more than three times higher for coal industry than residential rates.

Mr. Milliken: Tory times were hard times.

Mr. Abbott: If Tory times were hard times it would be very advantageous if the Liberals would learn from the hard times of the Tories and do something about the situation in my constituency. The simplest way to describe taxes is confiscation of capital, confiscation of the capital required by the companies to be able to do the job.

When the GST was introduced it was sold to industries as a tax that would benefit the export industry because it removed hidden taxes. The \$100,000 of federal sales taxes the GST removed from the average mine was overshadowed by \$600,000 to \$1 million created in fuel taxes. Coal producers paid \$4.4 million in federal fuel taxes and another \$5.4 million in provincial taxes.

Furthermore, to move the coal from the coalfield in the southeast corner of British Columbia to port, those fuel taxes are yet another factor that puts them at a severe disadvantage to other producers around the world.

It was interesting that the member for Renfrew—Nipissing—Pembroke was referring to the fact that the thermal plants operated by Ontario Hydro are powered by coal imported from the U.S. He said it very well. What this basically means is that the coal miners, the workers in Canada, do not have the jobs. Furthermore the coal imported from Kentucky has a significantly higher sulphur content than the coal that is currently available in my constituency.

Why are we not using a more benign coal, the B.C. coal, at Ontario Hydro? Why are we not employing the people in British Columbia to mine and refine the coal and deliver it to Ontario Hydro? Why are we sending the dollars to the United States? It is because taxes cost jobs. The taxes on the transportation of the coal from the southeast corner of British Columbia to Ontario means that we use a dirtier coal, coal from Kentucky, we send them our money and we let their workers work. Taxes cost jobs.

The country was founded on its abundance of natural resources. Our rich mineral deposits have sustained the quality of life which Canadians have become accustomed to. We only need to take a look at what has happened in the fishing industry, particularly on the east coast and now under the current minister of fisheries. I should call him the oceans minister. We are coming to much the same kind of situation on the west coast. The difference is that due to the mismanagement by the department of Canadian oceans we have lost our resources. In the case of the west coast due to the continuing mismanagement our resources are under threat.

The difference is that in this case, in mining, the resources are still available but the mining is being taxed out of existence rather than the resources going away. We need to make sure that we have the ability to continue to draw on this resource. The mineral resources in British Columbia, the current proven mineral resources, show us that at the current rate of production there is another 500 years of production available.

The European governments provide \$14.8 billion U.S. in subsidies to their domestic coal producers. I am not suggesting that we should subsidize our coal producers but I am saying that we must stop taxing the life out of Canadian mines.

● (1710)

We are going right at the moment into the abyss of a chasm that we require a rail bridge across. When we put that rail bridge across the chasm in the mountains we then say that is a property improvement. As a result the regional districts along the way between the coal mines and port end up actually charging