

Government Orders

changes in this program until December 31, 1990 and whoops, in February, 1990, it has gone. Okay, we will honour any contracts that have already been entered into, but nothing else happens.

Perhaps the government does not want to give grants to mining companies and especially to junior mining companies. The mining exploration business is a very risky one. If interest rates are very high, as they are right now, the investors would be much happier to just put their money in the bank and collect interest and forget about investing in very risky businesses.

As a result, and we see it now, I believe that in 1989 the actual amount of moneys invested in exploration and development was about \$600 million. It is projected by the Department of Energy, Mines and Resources that in 1991 there will be only about \$430 million invested in the exploration and development of new mines. That will be spent by the major mining companies that of course always continue to try to keep their stock of mines going.

But it is in effect the junior mining companies who really take the risks, and it is especially important that there be some kind of mechanism put into place to entice the investors to place their money with these junior mining companies in order that we may find new sites and develop new mines, so that when a mine closes in one area, that there is another one somewhere, hopefully fairly close to the one that closed, that can use that expertise and that well trained labour force that is in place in the one area.

I would refer in this case to the miners from Elliot Lake. We have there a fine, well trained workforce and they are losing their jobs. There are upwards of 2,000 people in Elliot Lake who will be losing their jobs shortly, if they have not already. We must have other mines that are developed so these people can continue earning their living. They do not want to be on unemployment insurance. They do not want to be on social assistance, any more than the fishermen of Newfoundland wish to be on social assistance or on unemployment insurance.

It is absolutely essential that this government try in some way. As the Liberal party, we are pushing for an enhanced flow-through share mechanism. If it is not an up-front grant, such as CEIP was, then let us go back to some kind of a fair tax incentive, so that the public will be investing in mines, not the government but the public. When new mines are generated, become operational and their profits start to roll in, then the government will reap the benefits. The government, by being very short-sighted and saving a few dollars now, will find that, down the line, there will be nothing left in this mining industry. Where will the government be then without those tax savings?

I am very concerned about the cancellation of these programs because these programs especially affect the regions of the country.

In conclusion, in every case the government has tried either to pass the buck on to other levels of government or to make cuts in areas which are not easily viable. Every government must make tough spending decisions. Municipal governments know this better than anyone else. I want the federal government to be open and honest and make those tough decisions, but not through a sham, such as this, and not on the backs of the poor and the regions of the country.

Mr. Joseph Volpe (Eglinton—Lawrence): Madam Speaker, I wish to make a comment and ask a question of the hon. member who has just given a rather insightful analysis of some of the problems of the budget.

An hon. member: Insightful?

Mr. Volpe: I see that some of my colleagues from southwestern Ontario also agree with me, at least I can judge that by their interventions. They were probably most impressed by the member's understanding of flow-through shares and the need for the government to become involved in an economic strategy, an industrial strategy, and a mining strategy. I know that they will probably be more than willing to present those kinds of views within their caucus. At least, I take that, from their interventions and my mentioning that, to be a sign of good faith and an applause for the member who has been so forthright and so incisive in her understanding of the budget. I compliment them on that.