

*Supply*

need and expect that extra bit of help from the government.

In the last while we have seen cuts to VIA Rail and unemployment insurance, we have seen the imposition of the 15 per cent export tax on softwood lumber which has greatly affected the forestry industry, we have seen the elimination of the Canadian Exploration Incentive Program for our mining industry, cuts in transfer payments which affect our health services and education in the regions, and the threats of cancellation by a particular task force of the northern residents deduction. They have basically recommended a complete elimination of this tax incentive. This deduction improves our ability to encourage skilled labour to move from the southern portions of Ontario to the north to work in areas where there are shortages of skilled labour.

Further, there is the dismantling of regional development programs like FEDNOR and the Western Diversification Fund. When I say dismantling, I mean changes. The programs are still in place. Members across the way talk about FEDNOR or Western Diversification or ACOA or all these great things that relate to the government in power today. But these particular programs have proven, in the short term, not to work.

For example, let me tell you about what FEDNOR has done. I am not opposed to FEDNOR giving grants to businesses, but FEDNOR or regional development programs should be set up for one particular reason, that is to diversify the economy of the regions of Canada that have difficulty competing.

A perfect example of that is FEDNOR. The lion's share of the grants it has given have gone to the tourist industry, which is a very important industry in northern Ontario. One example of the way it distributes money is to give grants to tourist outfitters to add another cabin to their tourist camp. That is not the important mandate of FEDNOR. The mandate of FEDNOR was to help different businesses get involved in the northern economy so we would diversify our economy, not to give handouts so that politicians and northerners would say: "We're happy now. They're appeased. They're all looked after. We are getting what we believe is our share."

Speaking of our share, the amount of dollars that come out of northern Ontario into the pockets of the federal government is enormous. Billions of dollars a year in royalties have come out of the forestry industry and the mining industry. When you look at that in comparison to what we have in development grants and programs, or even infrastructure, it would be an embarrassment for me, as a northerner and as a member of Parliament who represents that area, to say that I think the Government of Canada is doing a good job to improve long-term viability, expansion and the dream of northerners to play an important role in this country.

• (1210)

I will also mention in passing the effects of the goods and services tax that is going to be implemented by this government if it has its way.

Tourism is one of the biggest industries in northern Ontario and the other regions of Canada. Glorified ads are being placed in the United States saying "Come to the regions, come take a look at how beautiful it is in northern Canada." On the other hand, we make it so expensive for those poor tourists that they do not want to come. We have basically priced ourselves out of the market. What a joke that is, Madam Speaker. We in the north have the highest transportation costs because of the price of our gas. The price of gas in the United States and Canada used to be almost equal, but since this government has come into power it has got to the point where even our citizens go across the border to purchase gas because the price is out of sight here.

We have priced ourselves out of the market. For this government to say that it understands tourism is really, for lack of a better word, somebody's cruel way of passing on a joke.

We, as parliamentarians, have to start to look at what effects the programs we are putting in place will have on the regions of Canada as a whole.

I would like to speak on one subject that is dear to me and to all regions of Canada that understand what transportation really means. Our history books taught us that Canada was united by the rail system. This government has taken a perfectly capable and viable means of transportation for the regions outside of the urban areas and dismantled it completely. A perfect example of that is what was known as The Canadian. It used to run