

Oral Questions

● (1415)

Clearly the government's understanding of the economy is in disarray. Does the Minister of Finance believe that increased unemployment over the next few months is the only answer the government can give?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am not quite sure I understand the hon. member's question. I am not sure if he is referring to the announcement made by the Minister of Employment and Immigration extending additional funding for the work-sharing program, which has been a real success in the country. If he has that in mind when he asks me whether that constitutes the government's approach to unemployment, I would say that that, among other specifically targeted approaches, has been the way we have attempted to deal with the unemployment problem.

REQUEST THAT TAX BE REMOVED FROM BUILDING MATERIALS

Hon. David Crombie (Rosedale): Madam Speaker, even the Minister of Finance must blush when he takes credit for a program that was designed to be temporary and short-term in order to deal with a situation created by his government. That situation is no longer acceptable to the people of Canada. The minister knows that the Canadian Construction Association predicted for this year alone an unemployment level of 20 per cent. That is 150,000 workers out of work. Time and again the Construction Association has asked the government to take the federal tax off building materials. Why does the minister refuse to continue to take off that tax, something which would help put the construction industry on its feet?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): As the hon. member knows, Madam Speaker, the removal or imposition of a tax is a budgetary matter and these changes are not normally announced or dealt with in questions on the orders of the day.

LEVEL OF INVESTMENT IN RESEARCH AND DEVELOPMENT

Hon. David Crombie (Rosedale): Madam Speaker, everyone knows that a fundamental key to any recovery in growth over the next decade in this country depends very much on our investment in research and development. Despite the government's pronouncements, Canada still has a record which is second to last of all industrialized nations for investment in research and development. How can the minister take pride in that record? If he cannot take pride, why does he not now increase investment in research and development so that hundreds of thousands of jobs can be created?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has raised a third subject in his series of questions on the orders of the day. All of them have been very good. They have pointed to various areas of the economy where he is suggesting that the government intervene to provide more support, in one case through the removal of taxation which would mean declining

revenues for the government. In another case he suggested increased grant incentives for research and development. As the hon. member knows, all of these proposals, however worthy in themselves, have financial consequences. They have to be financed either through increased taxes or increased deficits. It is not my impression that his party, or his financial critic, has advocated that one of the methods of dealing with the current situation is to set out deliberately to increase financial deficits in Canada.

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FORESTRY

LUMBER EXPORTS TO UNITED STATES

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I have a question for the Minister of State for International Trade. The minister is aware of a commission that has been meeting for some time in the United States regarding the possibility of imposing an import restriction on Canadian lumber. The commission has now reported without recommendations. The decisions will be up to the administration and politicians to make as to whether such restrictions should be imposed by the United States.

● (1420)

First of all, has his department monitored the hearings of the commission? Second, has his department offered help to the companies which defended the Canadian position, including the government's position? Third, what is the minister doing now through the Department of External Affairs to assure that the Canadian position is put properly and that such restrictions will not be imposed on Canadian industry?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, in response to the questions put by the hon. member, first of all we have monitored the situation very closely, not only here in Ottawa but also on the west coast where the hearings were held, and also in Washington. In reply to the second question, we have not offered any financial assistance to the industry with respect to their representations. Third, we think that the information presented, based on the witnesses, shows that there is no evidence that Canadian firms were dumping into the United States market. It is a North American problem and we hope that the authorities in the United States will agree with the recommendations of the commission.

REQUEST THAT CANADA MAKE REPRESENTATIONS TO UNITED STATES AUTHORITIES

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, it is quite clear from reports that we are receiving from Washington that the decision made there will be a political one, and that the whole question is overshadowed by current events or by other events which relate to the National