

S. O. 21

These are facts. They do not represent news to Members of this House, not at all. I think we understand that this particular sector is in some difficulty. We recognize that the steps it has taken, even though they have increased unemployment, are necessary so that towns do not close down completely.

I now want to ask the House what the Government has done to cushion the impacts. To use a phrase directly from the Minister's sermon, what has the Government done to cushion the impacts on this industry in a region which is hurting? As unbelievable as it may sound, it has imposed a 15 per cent federal export tax on the shipment of softwood lumber to the United States. For many operations this 15 per cent represents the margin of profit, and then some.

How did this come about? How is it that the industry suddenly finds itself with a 15 per cent export tax on softwood lumber which it ships to the United States? It happened as a very direct result of the bungling interference of the Minister for International Trade (Miss Carney). She bungled into a situation which was well in hand by the industry itself. It was dealing with the threat of a U.S. countervailing tariff. Its legal counsel were well briefed. The funds were in hand in order to deal with this situation through the judicial process in the United States of America. But the Minister for International Trade bungled into a realm in which she was totally at a loss.

The result is that we are now faced with a 15 per cent export tax on softwood lumber. As a result of this, millions of dollars are being extracted from regions such as northern Ontario. Some sawmills have been forced to close. Plans to open others have been shelved. Many small, independent sawmills are operating so close to their tolerable limit of costs that they too may be compelled to fold.

I ask Hon. Members, is that not a strange and unusual way to cushion the impacts in a region which is hurting? This is what the Minister said: "The Government recognizes that certain regions are hurting". The Minister has said that the Government recognizes that certain regions are hurting and that we must move to cushion the impacts. Yet what do we get? We get a 15 per cent export tax on softwood lumber.

If that is not enough, the Canadian National Railway is also there. Never a friend of developing regions, this Crown corporation, especially in northern Ontario where it has the reputation of being one of its worst corporate citizens, decided as of January 1, 1987, to add a further burden on softwood lumber by imposing an additional 3 per cent freight rate on all shipments.

I wish to report to you, Mr. Speaker, and to other Members of the House, that in northern Ontario we are hurting. Nothing has been done to cushion the impacts. I want to ask, where is the Minister of Finance now that we need him?

In 1984-85, which was the year the Conservative Party took office, the annual expenditures for economic and regional development amounted to nearly \$15 billion. The very next year, one year after the Party opposite had been in power, in 1985-86, that sum was reduced to under \$12 billion. Then, in

1986-87, it was at the same amount of about \$12 billion. It is anticipated that in the current fiscal year it will fall to about \$9 billion. Altogether that means that somewhere in the neighbourhood of \$12 billion that would have been spent on economic and regional development has not been there. It is no wonder the regions are hurting. This is a sizeable amount of money that would have been invested in the regions. This is the money that would have cushioned the severity of the economic situation, but it is not there.

The Minister boasts in his Budget about the number of new jobs which have been created. But he did not tell us the nature of those jobs.

I would like to continue my remarks when you recognize me again, Mr. Speaker.

Mr. Deputy Speaker: It being 1 p.m., I do now leave the Chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[English]

THE ADMINISTRATION**CRITICISM OF THE MEDIA**

Mr. George Henderson (Egmont): Mr. Speaker, over the week-end the Deputy Prime Minister (Mr. Mazankowski) said the Government's poor performance is due to its failure to get its message out. I disagree. The Government's problem is the fact that Canadians do not like the message going out. The Government cannot even sell the message to its own caucus members.

There is growing dissent in Tory ranks. The Hon. Member for Calgary East (Mr. Kindy) is even quoted as saying, "The Prime Minister hears but doesn't listen". In the past the Prime Minister (Mr. Mulroney) has blamed the Ottawa-based media for his problems. Last year he said he was going to bypass them altogether and go directly to the regional press. Like his other plans, that one also backfired.

Members of the press deemed unfriendly are either gagged by head office or shipped to points unknown. No doubt a new program is in the making, aptly called "Critics in Exile".

Maybe I can end with this short verse:

The Prime Minister is filled with joy to see the last of Claire Hoy. For other scribes, especially those at the *Sun*, keep in mind what is happening to Hodgson.