

several years. We have lost more than 1,000 jobs in northern Ontario. We have seen at least half a dozen mills shut down. Others have been sold and others have gone on short staff.

We have been pleading with the Government to go to Washington and sit down with the Secretary for Trade and negotiate away from that export tax. No single decision could help improve the lot for regional development in northern Ontario. We are concerned about the fact that we are involved with little incentive programs such as FEDNOR when we need to look at the whole range of Government programs.

Unfortunately, the Government has declined to get rid of the export tax on softwood lumber, although representations have been made by every important group in northern Ontario, including the FEDNOR Advisory Board. It is not only getting rid of the tax, but we must look at what the free trade deal implies. It seems to imply that major restructuring programs such as we had several years ago for the pulp and paper industry in which the federal and provincial Governments put in a few hundred million dollars and stimulated that whole industry across the country to modernize, upgrade, become cost effective, and to be able to meet the new environmental standards that were coming in.

Under the free trade deal, we seem to have lost the ability to be able to put in place massive restructuring programs such as that which took place in the pulp and paper industry some eight or ten years ago. From time to time, especially in slow-growth areas, every industry requires that restructuring. Certainly, if we want to see the softwood industry maintained in northern Ontario, we are facing that situation.

The agreements that we had under the Economic and Regional Development Program for the pulp and paper industry are needed in other sectors. A similar program is needed in the sawmill softwood lumber industry. We clearly need a new agreement in forestry. I cannot believe that the Budget does not make provision for a forestry agreement. It was a modest agreement that we had in Ontario, but even that agreement has been cut out. That is going right across the country. The ERDA Agreements are being downgraded. They are essential.

Industry, Science and Technology

Many of the levers for economic development, restructuring, reorganizing, and modernizing of industry are in areas of provincial jurisdiction. The only way to provide an impetus is through the federal Government and the ERDA Agreements. The Government is moving away from that through the Budget and the policies and downgrading or cutting out all of those funds which have been provided through the ERDA Agreements.

Not only are those agreements important in forestry, but also in tourism. In Ontario we have a tourism agreement. Unfortunately, it has not been used as broadly as it needs to be. With the downgrading of the ERDA Agreements and the removal of funding for them, I see us losing a valuable tool to bring federal Government resources, know-how, and funding to bear in areas of provincial jurisdiction and in areas of co-ordination. Not only am I concerned about this Bill, I am concerned about the Government's general approach to the whole matter of regional economic expansion. In the previous two years we fought the taxation reform in which the Government cut out most of the incentive for the earned depletion allowance and the flow-through share program for the mining industry.

• (1710)

It was in 1982 and 1983, when the economy was being dragged out of the recession years of 1981 and 1982, when we introduced a new earned depletion allowance and flow-through shares which provided literally hundreds of millions of dollars for exploration and development in the mining industry in areas like northern Ontario, northern Québec, areas of the West and the East. That program has been emasculated by these tax reform measures.

Those types of incentives stimulate an entire industry, whether it is forestry, tourism or mining, which tend to be the industries most important to the slow growth areas of the country. They are all being wound down by the Government.

No matter whether this Bill is good or bad, unless the general policy of the Government through all its Departments and ERDA agreements takes the right direction, we cannot have an effective regional development program in Canada.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?