

The Budget—Mr. Penner

The Budget seems to say in places that the Government understands our problems, it is sympathetic, but there is nothing it can do to help. In fact, the Budget seems to say that the problems of the Government are bigger and more serious than those of the working poor, those without a job or those who live in one of the regions of economic disparity. The Government is saying it is sympathetic, it cares and understands, but it cannot help because its problems are bigger than our problems.

Members of Parliament might be able to get away with that in talking to each other in Parliament, but to those living in regions of economic disparity, those who are part of the group known as the working poor or those who are unemployed, it is not very convincing at all to say "My friend, you think you have problems. Do you not know that the problems of the Government are bigger than your problems? Do you not know that the Government is sympathetic and cares but there is nothing it can do to help?"

The Budget seems to say in places that the Government knows that what it is doing is not right, but it is going to do it anyway. I will give an example of that. One part of the Budget says that the federal sales tax is unfair and inefficient, that it is a silent killer of jobs. Few parliamentarians would argue with that. But having given this accurate analysis of an inappropriate tax, the Government goes on to impose further sales and excise taxes, digging a little deeper, to the tune of some \$700 million, into the pockets of consumers.

It is true there are some consumers who can bear that burden, but I tell you, Mr. Speaker, that those who belong to that group called the working poor, those who are without jobs and depend either on unemployment insurance or provincial and local welfare, or persons who live in one of the disadvantaged regions, cannot bear this additional burden.

In his agenda for economic renewal the Minister states that Canada's prosperity depends upon drawing on the strength of all regions of this country. When the Minister wrote this, or when it was written for him, what was in mind was the nature of Canada, that all of the regions have their part to play in the total national well-being. We cannot depend on just a few regions which are bursting their seams with prosperity. The Minister says that Canada's prosperity depends upon the strengths of all regions, and he is right. What we are saying is that we want what he preaches put into practice.

The same Minister who used that marvellous text, that the strength of Canada depends on all of its regions, goes on to say that the renewed health of the national economy masks a number of regional problems, particularly in regions dependent upon primary resources. So the Minister recognizes that there is a problem.

I know from first-hand experience whereof the Minister speaks, because the region of northern Ontario which I represent, along with other regions, looks to its natural resources for its economic health. It looks, for example, to the

forest industry and to the mining industry. It looks to agriculture and to tourism. Those are all sectors which depend upon natural resources for the health of those industries.

I want to report to the House and to you, Sir, that those four areas in the region I represent are not doing well at all. We have problems. Those problems are serious.

• (1250)

Again, the Minister of Finance is fair enough to recognize that. But, though he recognizes that there are problems, he offers no remedies. In fact, instead of offering some hope, even some token help, he compounds the problem. He makes it worse with his various budgetary measures and proposals. He writes in the document which I call his "agenda", "The development of resource industries demands our close attention, as does the challenge of enhancing regional development".

What is the nature of the challenge about which the Minister of Finance speaks? According to him, it is to help cushion the impacts of depressed prices and help producers adjust to market realities. That is very appealing to the people of northern Ontario, the people I represent who depend on the natural resource sector. It is a very appealing argument. All of the texts in this magnificent sermon are on target. They are all right. But then we have the practice which is so different from the texts.

In his Budget Speech the Minister notes, at least in passing, that the benefits of our current economic performance have not been equally shared across the country. Then we have this honest and forthright admission from the Minister, "Some regions are hurting". Yes, I can say to the Minister that some regions in the country are hurting, and they are hurting rather badly. I have already told Members of the House that northern Ontario is in this category, as is, most particularly, northeastern Ontario where unemployment is approaching the level of 15 per cent at the present time. Youth unemployment across northern Ontario is around 22 per cent.

In order for the forest products industry to remain competitive in a very tough world, and in order for it to stay in business, it has been forced to modernize, to introduce new technology. But that has meant a reduction in the workforce. Human labour has been replaced in many pulp and paper mills by machines. The need to introduce efficiency measures in order to remain competitive has also meant some additional lay-offs. Pollution control orders, as necessary and as important as they are, mean further expenditures and therefore cuts somewhere else in the industry. The cost of getting wood to where it can be transformed into a marketable product is in this region of Canada very, very high. In circumstances such as those the return on investment and the profit margins are not at all exorbitant. They are not high. In fact, in many cases they are minimal.