

Borrowing Authority

This Government is allowing the cut-back of key transportation facilities to the more distant regions of Canada: VIA Rail, Air Canada. How can these regions be strong if the communications with the rest of Canada are not built upon? We are penalizing those who have to go the farthest in this country with the gas tax. Again, that does not hit those people in the big urban regions who have public transportation as hard. It hits the people who have to drive long distances to their jobs and to market their goods. These are the people of Canada's regions.

In cutting back on military bases, again in the regions of Canada, we are insensitive to the needs of those particular communities. We are prepared to decimate them. The Minister yesterday in this House said, Madam Speaker, that as far as Grand Prairie is concerned, they are going to look at new ways to train our military forces. They are going to contract these services out. This is the absurd level to which this Government is prepared to take its right wing Tory policies. They are going to privatize the Canadian Armed Forces.

What is going to happen to the regions of Canada that are so dependent on tourism and on the service sector as opposed to the manufacturing sector? Who will this new goods and services tax prejudice the most? It will be those regions that are dependent on these sectors I have just spoken of where the new taxes are going to apply in a way they do not now that will hit every aspect of those economies without any thought for the fact that these regions of Canada deserve a break. Canada's regions are critical to the economic future of all of us. We as Canadians cannot be strong if our regions are not strong and if Canadians from all regions do not have economic opportunities.

Who else have they hit? Our homeowners. Tax on construction materials has gone from eight per cent to nine per cent. It will increase the average cost of a house in Canada by about \$500. Add to that the new UI benefits that will have to be assumed by employers and workers. So you can add on another couple of hundred dollars to the cost of a house.

The Secretary of State for External Affairs (Mr. Clark) I know must feel chagrined. There was a cut from his budget for overseas development. It was one of the biggest whacks taken out of our possibility for spending to create the type of world we want, a world that is humane, where neighbours look after neighbours. Until we realize that unless we can bring the rest of the world to higher standards of living, to higher standards of health care, to literacy, to education, to shelter, we Canadians will not fulfil our role as humanitarians and

world leaders. We even jeopardize our long-term economic future.

Nothing in this Budget helps our cultural industries, the industries that help us to define ourselves as Canadians.

In terms of going about the task, Madam Speaker, of building a type of industrial infrastructure we want here in Canada, what has happened in terms of the education and training to which this Government has paid lip service, to which the Government's own commissioner, de Grandpré, said we need much more spending and readjustment on training to cope with the new economic realities and to protect us from the ravages of the free trade agreement with the United States. On this the Budget is silent.

In terms of research and development, to which this Government has committed itself time after time, there are no incentives. Incentives that have previously been in the Income Tax Act to encourage innovation in Canada and to encourage incorporation of the new technologies into Canadian goods have been removed. There is no new tax on corporations, as de Grandpré suggested, to deal with the training requirements, to deal with the investment in our human capital, which is so critical to our economic future and so critical to fairness here in Canada.

We should look at our small businesses, which are the lifeblood of Canadian job creation, and the training of entrepreneurs, which is the heart of many communities. What has happened? John Bulloch, friend of the Conservative Government, said: "I call this Budget a tax tidal wave that is going to wash out consumer spending and business activity." The Government has increased the small business tax. The burden of unemployment insurance, which has now been privatized, will be about \$2.9 billion falling on the private sector. The goods and services tax will add another nine per cent. The federal sales tax, the most regressive you can imagine and one that is harmful to manufacturing everywhere in Canada, has been increased from 12 per cent to 13.5 per cent.

Then the construction tax I mentioned, which impinges on small business. Even if our businesses want to diversify into the regions, the first thing they are going to hit, apart from decreased transportation facilities, is the additional tax on telecommunications. If they need help to get established, do they go any more to the FBDB whose funding has been cut by \$13 million? If one is looking to aerospace, which is a leader among Canadian industries on the world scene, one would see a cut of \$25 million.