

*The Budget—Mr. Couture*

Second, there was a provision where we were prepared to assist in financing further nuclear power through Laprade 2 in New Brunswick, or even the first Laprade effort there.

Where does the Hon. Member stand with respect to nuclear power? It would substantially cut the hydro electric power costs to people on the Island, and improve the economy of farming, and the economy of the Island generally. These issues would improve the quality of life of Islanders. They have been proposed. Where does the Hon. Member stand on those types of things that would build a bigger pie?

**Ms. Callbeck:** I thank the Hon. Member for his questions. As the Hon. Member knows, there was a lot of discussion on the fixed link during the election campaign. I stated then that I agreed with the fixed link, but the agreement was conditional on addressing the environmental concerns, and that the people who worked with CN Marine had to be treated fairly, as did the Town of Borden.

Is the Hon. Member aware at the moment that there is an IRAP panel that has been appointed? The names were released last week. It will be holding hearings on the Island within the very near future. I believe the hearings will commence in June.

We do have the highest electricity rates in Canada. That affects our industry, farming, fisheries, and processing. I would be very pleased indeed to sit down and discuss any idea that would help lower those rates on Prince Edward Island.

• (1230)

**Mr. Loiselle:** Mr. Speaker, the Hon. Member referred to the goods and services tax that will come into effect in early 1991. She said the fact that the provinces did not come on stream with us for a national sales tax was an indication that our tax was not good.

I remind her that any such tax reform, in any case, is a very difficult thing to achieve. When there are 10 provinces that already have a sales tax which works, I must say, much more fairly than ours, it is not an easy achievement. Many of the provinces, such as Alberta, were not at all keen to come on stream. We could not wait forever.

I remind her that the present federal sales tax does exist and is presently paid by the taxpayers of her province. It is a very negative tax, which has a very negative impact. All the indications we have at this stage

are that as a result of the general sales tax the East, particularly her province, would profit from that reform. Could she comment on that particular aspect?

**Ms. Callbeck:** Mr. Speaker, I have not been privy to any of those figures. I believe this new tax will hit the consumers. It is a regressive tax because it will hit the poor people the most.

Ruth Robinson, President of the Consumers' Association of Canada, said that she believed the Government is waging its crusade against the deficit on the backs of the consumer, that the Budget amounts to a staggering consumption tax grab, and that it is lower and middle-income people who will suffer. I would be interested to see those figures.

[*Translation*]

**Mr. Deputy Speaker:** Continuing debate. The Hon. Member for Saint-Jean (Mr. Couture) has the floor.

**Mr. Clément Couture (Saint-Jean):** Mr. Speaker, Canada must take up the major challenge of reducing the deficit and the national debt.

We are quite partial to our social programs, our high standard of living, economic freedom, sovereignty at home and respect abroad. That is the kind of Canada we must leave to our children and we will do so if we face in a united and positive fashion the most important challenge confronting us.

We are faced in Canada with a major problem: an enormous and growing public debt. The interests on that debt are also increasing at a rapid rate. Only 20 years ago, to service the debt it only cost 12 cents out of every dollar which Canadian taxpayers paid to Ottawa. Four and a half years ago, it had already gone up to 32 cents out of every dollar. This year, it will exceed 35 cents.

Twenty years ago, Canada had no deficit and the national debt amounted to only \$18 billion. In those days, we could easily afford the costs of servicing our debt.

It is in 1970 that the problem of annual deficit really started. Although relatively small at first, the deficit kept increasing from year to year, so that in 1984-85, the annual deficit exceeded \$38 billion and the national debt had reached a record high of \$233.5 billion. The reality which characterizes a debt is that it perpetuates itself. Each year, taxpayers provide new revenues a large part of which serves only to pay the interests on a growing debt. Future generations would never be able to pay off this debt if we allowed this situation to worsen.