

Supply

• (1750)

The recent budget also eliminated the Canadian Exploration Incentives Program which will affect mining exploration. While not as helpful as the flow-through shares program which was cut two years ago by the current government, it is still a loss.

Cutting back on the subsidy to Canada Post for the food mail program to remote northern communities is having negative economic and social effects on the residences of these communities. Many of my constituents are paying \$5 for one litre of milk so that the government can pocket more of Canada Post's profits. In the budget, the Minister of Finance said he wants Canada Post and other profitable Crown corporations to turn over more of their profits to the government. This is supposed to contribute to the deficit reduction. This government is taking food out my constituents' mouths so that it can put more money in its pocket.

The budget of the Department of Indian Affairs and Northern Development has been cut by \$100 million over the next years. Economic development is among the affected areas. Aboriginal communications groups and organizations have had their funding slashed, and in some cases eliminated.

Jobs are being lost. How does the loss of northern jobs, aboriginal jobs contribute to northern development? Between 100 and 180 jobs will be lost as a result of these cuts to the aboriginal communications programs throughout the country. In the north the cuts to the Inuvialuit Communications Society means two people will have to be laid off at the end of this month. Four other positions that were up for hire will not be filled.

The Native Communications Society of the western N.W.T. has been cut by so many jobs, adding insult to injury, as of last week. As of last week, they still had not received their funds for February and March. Furthermore, April's money will not arrive until May.

In addition to the cuts they have suffered, they will have deficit finance incurring additional and unnecessary bank costs.

The Inuit Broadcasting Corporation will lose more jobs as well.

The proposed goods and services tax is a source of serious concern for the N.W.T. Northerners have argued against the tax in its proposed form because it is inequitable and will reduce the N.W.T.'s relative competitiveness with southern Canada. The tax will result in N.W.T. residents paying more sales taxes than other Canadians for the same goods and services. The current sales tax which will be replaced by the GST is applied at

the manufacturers' level. Because the GST is applied at the retail level, the large component of transportation costs and higher northern margins that are not currently taxed will be fully taxed under the goods and services tax proposal.

Also, higher incomes in the north will result in residents with the same real purchasing power as southern Canada benefiting less from the enhanced federal sales tax credit. In addition, with the exception of some industries, the proposed goods and services tax has the potential to seriously reduce the N.W.T.'s competitiveness compared with southern Canada. The tax will make the N.W.T. an even higher cost region in which to do business and, therefore, a less attractive place in which to invest. This will, according to the N.W.T. Minister of Finance, retard the N.W.T.'s economic development.

The goods and services tax, whether at 7 per cent or 9 per cent, is simply not acceptable to the residents of the Northwest Territories. Rather than assisting the N.W.T. government to effectively deal with its economic problems of regional disparities, high unemployment and lack of infrastructure, the federal government is blocking further progress.

At present, the federal government retains control over N.W.T. land and its resources. The Government of the Northwest Territories' ability to plan and manage the economy is limited as long as control over land and resources remains with the federal government.

However, the scale and face of development is largely controlled through the Minister of Indian Affairs and Northern Development, with priorities designed to benefit all of Canada.

Devolution of responsibilities is a slow process. Transfer of control goes hand in hand with aboriginal claim settlements. Aboriginal people want to be partners in northern development.

A new economic development agreement is being negotiated between the N.W.T. and the federal government. I urge the federal government to recognize the unique development needs of the north. Transportation is an essential element in the development of the N.W.T. economy.

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The government of the N.W.T. is actively pursuing the transfer of federal government responsibilities for transportation, and work has begun on a special joint study to develop an N.W.T. transportation strategy. Any transfers must be accompanied by the necessary resources. The federal government must continue to play a major role in the northern economy, particularly in developing the necessary public infrastructure to stimulate and sustain