

The Government's reformed unemployment insurance is making Canadians pay higher premiums, and making the unemployed pay for their own training. I feel that the poor and the unemployed should not be required to finance retraining schemes that are the responsibility of the federal Government.

The Conservative Government promised many training programs to help those who lost their jobs because of the Free Trade Agreement. They were promised, but now those promises have evaporated and the programs have disappeared. Instead, the Government will finance those promises by taking money from those who can least afford it.

The federal Government's new sales tax is not so national. The Government was unable to secure the agreement of the other provinces. Therefore, in 1991 the feds will be going it alone. This new sales tax will apply to haircuts, drycleaning, and a long list of items that have never been taxed before. It will also apply to transportation, which will amount to a tax on distance. Islanders are distant from the great economic hub of central Canada. The Government is penalizing us for our geographic location.

In closing I should like to say that I hope the Government will come to terms with the severity of the Budget, and recognize the unbearable and unreasonable burden that it has placed on the people of Prince Edward Island.

Mr. Deputy Speaker: On questions and comments, the Minister of State for Finance.

Mr. Loiselle: I would like to tell the Hon. Member for Malpeque (Ms. Callbeck) that I do not share her somber view of the effect of this Budget, which the Hon. Member will find out in time is a very good Budget. The Government has never hidden the fact that it is a difficult and a severe Budget, and with that I would agree with the Hon. Member.

The Hon. Member will certainly agree with me that the country is facing a most difficult and serious situation, and we have to tackle it. In a certain way the remarks of gloom and doom reminded me of the remarks we heard on that side of the House four years ago after the presentation of the first Budget of the Mulroney Government. We heard about recession. I believe the Hon. Member for Malpeque would agree with me that far from recession, we went through an outstanding period of economic success and job creation. I would like

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to challenge the Hon. Member to discuss this again in the coming years. She will see that her province has not been hit as she attempted to tell us this morning.

I would like to remind the Hon. Member that in all the programs to which she has referred, equalization programs and regional development programs, and so on, the amount of money which will be passed on to the provinces will be increased. Therefore, it is difficult to see that the Budget could have the very negative impact discussed by the Hon. Member. The worst thing that could happen to Prince Edward Island and the other provinces would occur if we were not to tackle the very serious situation we are in. We are very confident that the measures we have taken will cause the interest rates to come down, will diminish the inflationary pressure, and will eventually create conditions where everybody in Canada, including those in Prince Edward Island, will benefit.

If none of the necessary cuts that we have made are to the particular liking of the Hon. Member, I would like her to indicate to us what type of programs we should diminish in order to face the deficit and the national debt.

Ms. Callbeck: I thank the Hon. Member for his question. I have been trying to point out that the people of Prince Edward Island feel that this Budget is unfair in that they have been asked to share a too large and unreasonable part of the burden.

Islanders are certainly fair-minded people. They do not mind doing their part as Canadians to help achieve the national goals such as deficit reduction. I am saying that the Budget is too much of a price to pay. It is apparent to Islanders that the longer they have for the Budget to sink in, the more they will be paying than their fair share. This is what we object to.

Mr. Deputy Speaker: On questions and comments, the Hon. Member for Mississauga South.

Mr. Blenkarn: I was pleased to listen to the Hon. Member for Malpeque (Ms. Callbeck). I was wondering where she stood on a couple of issues that are important for economic development in her province. As the Hon. Member knows, there has been a proposal for a fixed link which would substantially improve tourism. There seems to be a bit of reticence in her province to go ahead with that, even though it could be financed privately, but with the assistance of the Government.