

Supply

• (1340)

It will also affect lower income people, and by that, I am not assuming those people who will not get rebates. I am assuming that on the east coast there are people with incomes below the average of Canada. Because of the GST there will be less to spend in our local economies than there would be if there were no GST.

I can give several areas where I feel the government should have come up with alternatives. The goods and services tax is certainly one area where there will be an inflationary aspect and will particularly hurt the east coast as well as rural Canada. I just do not limit it to the east coast because I think it will have the same effect in rural Quebec as it will have in any rural area in Canada.

We heard from small businesses that it is a disincentive and heaven only knows that we cannot lose any more small businesses in the east.

We heard from the Atlantic Transportation Commission when they appeared before the transportation committee that the 7 per cent rate is a deterrent to people looking to buy goods from the east coast. It is also a negative in the sense that when people on the east coast have to order goods made in Ontario, they will look somewhere else to get the goods without the 7 per cent tax. Even though it can be rebated, it is this burden that is imposed on businesses.

At the same time that we are seeing two major government policies affecting rural Canada—and this motion today is directed to the rural economies of Canada and when I say two major policies, I mean the free trade agreement as it affects our primary resources, and the goods and services tax as it will affect our tourism industry, small business, the transportation of goods from the east coast, and the inflationary impact of the GST on lower income earners.

At the same time that we have these two major policies, we have a government that is hitting at the infrastructure. I heard the Minister of Public Works say that there was no crisis in the economy on the east coast. Thank goodness, if that is the way the government interprets it, that there is no crisis on the east coast. But there is a crisis. I can tell you that from the point of view

of the fishing community, and representing a constituency directly dependent on the fishery. If the government wants to say there is no crisis on the east coast, I can only say that the way the government has cut at the infrastructure, there soon will be a crisis. What infrastructure am I talking about? I am talking about the Established Programs Financing. The government has a well known history of cutting it back in the Atlantic region as well as in other provinces.

I should clarify that Established Programs Financing is the program funded federally with the provinces for health services and secondary education. But since 1986, when the government proposed the reduction by two percentage points of the Established Programs Financing, and again in the 1989 budget, with a cut that was a further percentage point, the cost of these two measures alone to the Atlantic region for the financial year 1986–87 to 1994–95, will be \$779.4 million.

In 1990, in this budget, the government did not just go along with the established cuts that it had put in, it further froze the Established Programs Financing at the 1989 level for two years which will cost the Atlantic a further \$655 million for the financial years 1990–91 to the 1994–95 years. That is over \$1.4 billion that the Atlantic provinces will not have from the Established Programs Financing that they will have to find somewhere else. Why? I did not see any ministers of state get cut. I did not see any of their budgets reduced. I did not even see the Prime Minister reduce his cabinet. I would have accepted some of these if he had shown some restraint within the cabinet itself to spend money that we can ill-afford. We do not need those ministers of state. Surely the ministers there could be doing a more thorough job of their own department.

In fact, it is so bad that when you write to the Minister of Employment and Immigration, you get a letter back saying “I am sorry you wrote to the wrong person, it goes to this minister”. Then sometimes you even get a letter back saying it has gone back to that minister because the Minister of Employment and Immigration sent it to the wrong minister. I have become so confused as to who you deal with because there are so many ministers of state in the Employment and Immigration Department.