

*The Budget—Ms. Callbeck*

This loan will no longer be available on an interest-free basis which means that the producer, the farmer, will lose. The farmers are also being penalized as a result of the Government's phasing out of the fuel tax rebate program. The reduced rebate on the gasoline and diesel fuel totals approximately \$450,000 in lost revenue to the farmers of Prince Edward Island in any year. That is an annual loss of \$450,000. We cannot forget that the farmers will also be subject to the same tax increases, the personal surcharge, the federal sales tax, the excise tax, as they are all Canadians. It appears that this Government is eroding those things which identify our province as Prince Edward Island.

Crop insurance, an important factor for farmers, was targeted in the Budget as being under negotiation. This means that the federal Government hopes to place a greater burden on the provincial Government in cost sharing for crop insurance. This would add up to approximately half a million dollars a year in contributions from the Prince Edward Island's provincial purse. Tourism contributes approximately \$100 million annually to the Prince Edward Island economy. It employs roughly 11,000 people. On Prince Edward Island we do not have a large industrial base. We do not have oil or vast natural resources. But we do know how to treat tourists. We are good at it, as the numbers that I have just indicated show. Tourism is helping my province catch up to the rest of Canada to ensure a fair standard of living for our people. But the federal Government's failure to renew the \$11 million tourism and marketing agreement will mean fewer tourists. Add to this the Government's additional \$5 million reduction in international tourism marketing efforts, and you will see why Islanders feel threatened, why they feel frustrated and why they feel angry at this Government.

This Government has cast a shadow on the long-term future of tourism in Prince Edward Island throwing this province open to long-term pain. In the ACOA estimates, the Government says in the short term, and I quote:

There will be significantly less funds for Atlantic regional development than has been planned.

Add these two facts together and you get the theme of this Budget: Short-term pain for long-term pain.

The many beaches which dot Prince Edward Island's coastline also shore the Island's other industry, fisheries. Yet this is another target which will be hurt in the name of the Government's deficit control. Like farmers, fishermen will also suffer as a result of the Budget's elimination of the rebate on gasoline and diesel fuel. The money allocated to the Department of Fisheries and Oceans for small crafts and harbours is just not enough. Again it is the fishermen who will suffer.

This past weekend, Mr. Speaker, the effects of this Government's under-funding hit home. Last Friday two lobster boats were caught in the silt due to lack of dredging in my riding. This Budget is inadequate. More funding is imperative to maintain the wharfs and properly dredge the harbours so that our fishermen will be safe and secure.

The security of Islanders, of all Canadians, has been affected by the decision to reduce transfer payments to the provinces. The growth rate reduction on established program funding of 1 per cent every year for the next five years represents an erosion of federal support to Prince Edward Island for health and post-secondary education. It amounts to \$1 million in 1990 to 1991 and \$1.5 million in 1991 and 1992. It seems that the federal Government is trying to pass its debt on the provinces.

As for health care, this amounts to reducing the deficit on the backs of the ill. The federal Government has also cut the funding to universities at a time when our future depends so heavily on the educated workforce.

For a Government which ran an election campaign on managing change and preparing Canada for the future, its commitment to ensuring quality health care, research and education is questionable to say the least. However, the Government does appear to be committed to dipping further and further into the pockets of individuals across Canada. It has increased surtax from 3 per cent to 5 per cent on incomes under \$50,000. It has increased tax on long distance phone calls. It has increased tax on cable television. It has increased excise taxes. It has increased federal sales tax. It has increased tax on gasoline. The list goes on and on. All of those increases have a notable effect on the personal disposable incomes of Canadians.

• (1220)

There are many people in my riding who are barely making it from one pay-cheque to the next. How will they be able to cope with all those tax increases?