

The Budget—Mr. Harris

by 6.7 per cent. However, let me tell Hon. Members when that happened. That did not happen over the whole of the 38 years.

The Minister of Transport might be surprised to learn that that gap was narrowed between 1949 and 1971 when the tide went out on Mr. Smallwood's Government and the tide came in on the Government of which the Minister of Transport was then a part, having also been a part of the tide that went out a couple of years earlier. The narrowing of the gap had all occurred by 1971.

What has happened since then? The figure has not changed. It is now exactly the same, give or take .2 per cent, as it was back in 1971. For 15 or 16 years, Newfoundland's position has not improved. These were years of a Conservative Government in Newfoundland and, for the most part, a Liberal Government in Ottawa. If we are to use that as a measure of our progress, if we have progressed by reducing the disparity by 6.7 per cent in 38 years, how long will it take Newfoundland to reach the national average of earned income per capita? It will take a further 288 years. That is the measure of the progress we have had in the last 38 years. In fact, from 1971 to 1988, we have had no progress, none at all.

It is not surprising, having heard those figures, that the Organization for Economic Co-operation and Development in its August report called regional disparity in Canada notable for its starkness in 1986. This is the same report that the Prime Minister (Mr. Mulroney) was bragging about in the House in late August and September. He did not emphasize that point. It came upon the Opposition to remind the Prime Minister that his Government had failed in that area.

Neither is it surprising, having heard these figures about the situation of Newfoundland, that the Economic Council of Canada would call regional disparity and the unevenness of growth in the regions of Canada the most serious economic problem the country faces. What has been the response of the Government?

Considering the magnitude of the total problem and the size of the Government's expenditures, the Government has in a miserly way provided \$200 million for four provinces, and I have to put it that way because we cannot really divide it up. The Atlantic Canada Opportunities Agency will provide \$200 million per year over five years. I worry about what will happen to Newfoundland in those five years.

I think it is possible that the Minister of Transport must have been asleep during the first six months of ACOA's operation. The Province of Newfoundland obtained from the programs that were being looked after by that agency in that six-month period a total of \$6 million. Yet New Brunswick received in excess of \$20 million, and Nova Scotia in excess of \$45 million, and Prince Edward Island received \$4.2 million. Not that we in Newfoundland begrudge the people of New Brunswick their industries or enterprises, that amount of money. We are very pleased to see that they will receive that kind of money. We realize they need that kind of development. However, the agency which is supposed to ensure fairness does

not follow that principle among the four provinces where it carries out its programs.

● (1720)

The Atlantic Canada Opportunities Agency is welcomed, indeed supported by this Party, as the Minister of Transport well knows.

Mr. Crosbie: So you are going to vote against it.

Mr. Harris: It was supported by this Party at second reading, although we have some serious concerns about its make-up.

Mr. Crosbie: Why did your Member, Mr. Orlikow, say you are going to vote against it?

Mr. Harris: Mr. Orlikow speaks for himself.

Mr. Crosbie: Exactly. You all speak for yourselves.

Mr. Harris: We supported the legislation at second reading and we support the agency because it provides a new opportunity for regional development. Yet we have serious concerns about the Government's commitment as demonstrated by an amount of only \$200 million for a problem of a very serious nature.

Mr. Crosbie: Only? That is a doubling. Where would you get the money? Your colleague was just complaining about the interest cost on the national debt. Where would you get the money?

Mr. Harris: We see the Government giving very scant attention to the most serious economic problem facing this country. The Government has a little nest-egg in its Estimates of \$2.5 billion. There is some money that the Minister might ensure goes to regional development in Atlantic Canada.

Mr. Crosbie: Right on.

Mr. Harris: I hope he does. Everyone knows we need it. Where will we get the money? The Minister acknowledges that the money is there. We have to make sure that it goes where it is needed, and that is into regional development for Atlantic Canada and Newfoundland.

In summing up the situation with respect to this Budget, we see first an acknowledgement by social agencies, critics, writers and analysts across the country that this Budget does not provide fairness through tax reform. For example, as the Canadian Council on Social Development said, families with children have lost out as a result of the Government's policies. Starting with the 1985 Budget and continuing through the so-called tax reform proposals, families with children have lost ground compared to other Canadian households. This is the effect of partially deindexing family benefit programs, tax credits, and the tax reform measures.