What are these people going to do? Why is the government allowing these communities to die?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there again is distortion. We have acknowledged that the Atlantic fishery is in a state of crisis and we are co-operating with provinces, communities and other national governments to make sure that we deal with that crisis. But we do not want the international investment community to believe that because there is this serious problem in the fishery that the economy of Atlantic Canada is to be scorned because it is a basket case. It is not a basket case. The economy of Atlantic Canada shows areas of important strengths. There is an economic future in Atlantic Canada. We do not want doom and gloom. We want to bring about greater prosperity.

Some Hon. Members: What are you doing?

Mr. Mulroney: I will tell you, Mr. Speaker, where there was a basket case. When we came into power, the Liberals had unemployment in Newfoundland at 23.5 per cent. We brought it down 7 percentage points. We brought it down 3.5 points in Nova Scotia and 3 points in New Brunswick. The economy of Atlantic Canada was a basket case and we are improving it.

Some Hon. Members: Hear, hear!

• (1440)

Mr. MacLellan: Mr. Speaker, I hope the Prime Minister will not be surprised if the people in towns like Canso are not dancing in the streets.

Some Hon. Members: Hear, hear!

Mr. MacLellan: The Prime Minister shows an abysmal ignorance of Atlantic Canada.

Some Hon. Members: Hear, hear!

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, if the fishery is in crisis, the economy is in crisis. It is not only the major stupidity of the fishery policy but ACOA's negligence and deficiencies, free trade and the VIA policies have all devastated Atlantic Canada.

This government is not only widening the disparity in this country, but this government is sentencing thousands of people in Atlantic Canada to abject poverty.

Why is the government not able to tell us what it is going to do for Atlantic Canada right now if it is going to do something? Why can it not do that right now? Why

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has it not come up with a policy? It has known long enough about the problems.

Some Hon. Members: Hear, hear!

Ms. Clancy: Tell us!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not need any lessons from a Liberal on how to help Atlantic Canada because Atlantic Canada is doing infinitely better today than it ever did under a Liberal government. You should be ashamed of yourself for raising these problems that only damage investor confidence.

Some Hon. Members: Oh come on!

Mr. Mulroney: With regard to Canso, my hon. friend does himself and the House a disservice by suggesting that anybody is dancing in the streets. I have acknowledged that the Atlantic fishery is in a state of crisis. I have acknowledged that it requires special programs to help it. I have told the House and the country that with regard to the fishery we have and will continue to bring forward the same kinds of generous programs that we brought for the western farmers. I have already told my hon. friend that. We have done some things and we have much more to do.

What I am saying to my hon. friend, and what I am saying to the Liberals and the NDP, that with respect to Atlantic Canada there is trouble enough with a very genuine, fundamental structural problem in the fishery. Do not extend that to every area of economic life in Atlantic Canada. It is not true, it is not fair, because there is a very good economic future in Atlantic Canada and we want to work to make it better.

Some Hon. Members: Hear, hear!

[Translation]

PROPOSED GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, it is really incredible to hear someone say that a crisis in the fisheries industry in the Atlantic Provinces does not constitute a disaster for the entire economy in the Atlantic region.

Mr. Speaker, my question is directed to the Minister of Finance, because Canadians are also worried about another issue of national importance. Is the Minister of Finance now prepared to admit that Canadians across the country still massively reject his proposal for a new 7