

The Budget—Mr. Harris

Mr. Crosbie: That is what you always said.

Mr. Harris: I will get to that in a minute. The Minister of Transport (Mr. Crosbie) is interested in what happened when the tide went out on the Liberal Government in Newfoundland. I hope he will listen carefully to the story I am about to tell.

Mr. Crosbie: I will.

Mr. Harris: We all know in Newfoundland that as the tide comes in and the tide goes out, one year is good for fish and the next year is bad. These things change. They are not changed by the Government, they are changed as a result of nature, and in the case of the economy they are the result of economic cycles.

The interest rates, for example, were very high in 1983-84, but they are lower now. We have heard many speakers, including the Minister of Finance, claim credit for that. They were also high in the United States and they are lower now. I suppose if the Minister of Finance and some Conservative back-benchers want to claim credit for that, they can claim credit for the low interest rates in the U.S. as well. Most Canadians know that these interest rates are part of a world-wide economic phenomenon and are not to the credit of this Government.

We hear about jobs, but again these jobs are claimed to have been created by the Government. I think most Canadians know that the Government did not create those jobs. We have seen the economy of central Canada in particular boom while most of the rest of Canada has not participated in the economic revival. When we look at the issue of fairness, Mr. Speaker, we also look at interest rates and jobs. We see the Governor of the Bank of Canada recognizing that interest rates in Canada are at a low rate but that there is now upward pressure. The Governor of the Bank of Canada says he will not decrease the rates because he is concerned about the economy in Ontario overheating. The people of Newfoundland and the people of the Atlantic region are suffering not from over-heating but from the cold wave which this Government has allowed to continue in Newfoundland's economy and in Newfoundland's unemployment rate.

When we look for fairness we also look at taxes and the phoney tax reform which the Government has introduced. When we look for fairness, we have to ask ourselves who benefits and who loses by these reforms. When we examine the details, we see that it is the poorer people, the people with families and the people earning minimum wages whose taxes are increasing and it is the wealthier Canadians who can afford to pay more taxes who are benefiting from this supposed tax reform.

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When we look for fairness, we also look at how the Canadian economy spreads the wealth it has, the economic opportunities, employment and the share of the national income. Even

the C. D. Howe Institute has recognized the unfairness of economic prosperity in Canada. It has said that unemployment rates in Ontario and Quebec in 1986 were near pre-recession levels in 1980, while elsewhere in the country they ranged from 40 per cent above 1980 levels in the Atlantic provinces to 150 per cent higher in Alberta.

When we look at economic progress, I think we have to leave out the recession. We should compare the current situation with the situation before the recession of 1980. Having gone through a recession and now back into a period of relative prosperity, the situation *vis-à-vis* central Canada and the Atlantic provinces and particularly Newfoundland is worse now than it was before the recession. That is what we mean when we talk about regional disparity. It is the difference between the situation in Newfoundland and the situation in central Canada. That difference is getting wider, it is not narrowing as we would have hoped and expected.

There is an increase in the disparity between the unemployment rate in Ontario and that of Newfoundland, not a decrease. That is a serious indictment of this Government's programs and policies.

We are not dealing just with statistics, these are real people who are suffering. In 1981, 26.9 per cent of unemployed Canadians were heads of family units. That number increased to 30 per cent in 1986, the last year for which we have figures. The unemployment rates and the disparity between the rest of Canada and Newfoundland are just statistics, but the reality is that the increasing numbers of unemployed are heads of family households.

We also know from Newfoundland statistics, from Statistics Canada and from the National Council of Welfare that the percentage of families living below the poverty line is in fact increasing. In Newfoundland in 1985, it was 20.7 and in 1986, it was 21.2.

The number of unattached individuals, those who are not members of families, whose incomes are below the poverty line, has increased from 45 per cent in 1985 to 49 per cent in 1986. We look at those indicators and ask ourselves if we are making progress or if we are going backward. The unalterable conclusion is that we are going backward. The disparity is increasing, the level of poverty is increasing and the percentage of people who are forced to live in unacceptable circumstances is increasing and not decreasing.

What kind of fairness is there when we look at what has happened in Newfoundland since Confederation in 1949? At the time of Confederation, in 1949, the earned income of Newfoundlanders as a percentage of the Canadian national average was 48.8 per cent. Earned income per capita is a valuable indicator of the comparable wealth and earning capacity of the people in an economy. That gap has narrowed slightly. In November of 1987, the per capita earned income of Newfoundlanders was 55 per cent of the national average. In the 38 years of Confederation, the disparity has been narrowed