

*Government Orders*

Not only will prices remain high and not decrease in the fashion predicted by the Conservative government, but the 7 per cent will cause an increase in the final price to the consumer. That is reality.

The other reality which this government seems to forget is that this country is a vast and very different country. It has many regional areas that are cut off from the major centres. There are great distances that one must travel. One must transport goods. The GST gives absolutely no notice to these distances or these regional differences.

Take the fact that the GST will apply to the cost of heating your home. Cold is a reality in this country. The GST will cause a significant increase in the heating bills of Canadians. It impacts far more severely on those Canadians who live in the north or on Canadians who live in some of the Atlantic provinces where the cost of transporting fuels adds greatly to the cost of heating homes.

I have before me a Statistics Canada report. It is a family expenditure survey of selected cities. This was done in 1984.

This survey states that in 1984 the cost of heating the home of the average Canadian family in St. John's, Newfoundland in one year was \$1,522. That was in 1984. Realize that this is 1990 and it is much more expensive today than it was then. These are the figures and the year that I have for them.

It costs the same average household in Ottawa or Toronto approximately \$825 to heat their home in 1984.

If you take 7 per cent and add it to that cost of heating the home for one year in 1984, for the people who live in St. John's, Newfoundland it means an additional cost of \$107. For the people who live in Toronto and Ottawa it means an additional cost of \$58.

You can see the impact of this tax. It is far greater for those areas such as St. John's, Newfoundland—and we have not even touched on areas like Yellowknife, Whitehorse and Iqaluit. Those people spend three and four times what we do to heat their homes. That is reality. No one has taken that into consideration. What is that going to do to families in those areas?

• (1630)

The tax does not take into consideration the kinds of discrepancies which occur normally in this vast land of ours. Is there not a method, some kind of mechanism to equalize the burden across these regions of our land?

Is the government forgetting the outlying regions of our country? Home heating in a country such as ours is a necessity. It is as much a necessity as basic groceries, and yet this government has zero rated groceries. Is there not some way that this government could consider zero rating the heating fuel which is so necessary to each and every one of us?

Another consideration is the imposition of the GST on transportation costs. That will hurt every outlying region, every region that is removed from the major centres. It will hurt progressively; it will hurt more as one moves away from the centres. Those who are the farthest will be hurt the most.

Distance is a reality in this country. Size and geography have always made transportation of goods and people a challenge for Canadians and therefore is a major consideration in the economy of our nation.

Transportation is a lifeline for outlying regions. These outlying regions must ship products and raw materials to markets in the populated areas and receive supplies and manufactured goods from the same populated areas. The cost of living in outlying regions is higher than the cost of living in major population centres because of the need for transportation of food and manufactured goods.

The people in Sudbury understand what the cost of transportation means. The people of Canada understand what the cost of transportation means. According to the Atlantic Provinces Transportation Commission, the imposition of the GST is contrary to one of the sections of the national transportation policy. It appears as if this government has totally overlooked the kinds of policies that are already in place. Perhaps the government should go back and check the national transportation policies and find out whether this particular GST conforms to the policies of this government.

The proportionately higher transportation costs in regions located farther from the major markets and sources of supplies will mean that goods manufactured in these regions will be less attractive because of the higher costs involved in shipping a product from a remote area to the market centre than the cost of purchasing a