

*The Budget*

so that this industry can receive the support it needs to take its rightful place in the Quebec and Canadian market.

Another example of bad cuts in the budget is the substantial increase in port tariffs planned for the various harbours that come under Ports Canada and which are along the St. Lawrence River, among other places. They decided to raise port tariffs by 25 per cent and the ultimate result of this increase will be that a certain number of boats which would otherwise have docked in these ports will refuse to do so. For example, in Cacouna harbour, in my riding, the increase in port tariffs will achieve the opposite effect to that intended, which is to increase government revenues.

The result of the increase in port tariffs will be that fewer boats will dock there. This may cause an overall decrease. This is the kind of misjudgment of the situation which will have a negative impact on all ports, especially on the St. Lawrence, where 13 ports can be considered profitable when it comes to efficiency. This across-the-board increase in port tariffs will make some hitherto profitable ports stop being profitable and will make them a drain on the federal budget. I think that it is important that the federal government reconsider its decision to increase port tariffs by 25 per cent, because all users know that it will have an impact.

• (1510)

People who make calls for tenders, shipowners who entertain the idea of docking ships in Cacouna harbour or another could very well end up going to the east coast of the United States. We are going to eventually end up with even more harbour facilities which are not used as they should be and which will be increasingly in the red.

I think that these are examples where the government sets out in good faith to cut spending, but cuts in the wrong places and implements cuts which have negative repercussions for the economy of certain regions, like the one I represent, the riding of Kamouraska—Rivière-du-Loup.

Another example is transportation subsidies. Everyone agrees that these subsidies, which perhaps created an artificial market, must be abolished. The Minister of Transport was favourably disposed to recommendations that these subsidies be eliminated gradually, so that the impact on the regional economy could be evaluated. The Minister of Finance, however, has decided to cut them drastically starting July 1, 1995.

It is not possible at this time to predict the effect this will have on eastern Quebec and the Atlantic provinces. It is not known if it will be beneficial or disastrous, or if some businesses will not

be forced to close their doors during the summer of 1995 because of this decision.

Why did the government not follow the recommendations of the industrial commissioners of eastern Quebec, of the Atlantic Canada Opportunities Agency, of all the stakeholders in this sector ultimately, and reduce these subsidies gradually over four or five years? That would have allowed the various industries, whether in the forestry sector, dairy production, furniture manufacturing, or processing, to adapt, to explore new markets and to meet the new challenges of competition.

I think that a decision such as this one will lead on the short term to an increase in unemployment. I need not tell you that our economy does not adapt very quickly to change. Some people will lose their jobs and will not find others right away because the first step will be to rebuild the regional economy, to create an industrial fabric corresponding to the new market conditions resulting from the abolition of transportation subsidies.

This is another example of how, in the budget, the federal government has ignored the complex nature of markets and is making decisions that will have a major negative impact on the short term. This impact could have been reduced by taking into account the recommendations made by the various stakeholders in the local economy.

I would like to give one last example, which I think is even more meaningful, namely the Federal Office of Regional Development's withdrawal from capital assistance programs for small business. Under the pretext of saving, we will kill a very lucrative small business start-up market.

For example, a small winery like the one in my riding obtained a subsidy to build a warehouse, which allowed it to expand its market and secure a significant market share. This type of assistance will disappear. Consultants will help businesses find their way around the bureaucratic maze, but this type of assistance will not help launch small businesses. In this regard, I think that the federal government made the wrong decision.

I gave several examples of less than effective cuts which will be counter-productive on the long term, so that we will end up with an even larger deficit and regions will become even more dependent on transfers. The results will be the opposite of what the government is trying to achieve.

Of course, the government argues that it has to do this in order to cut spending. But we have not looked at the other side of the coin. For example, why did they decide to give family trusts until 1999 before eliminating the tax deferral and preferred beneficiary provisions?