

### *Government Orders*

Many of the provisions in the budget have already been dealt with. Those remaining are being handled today with Bill C-76. However the message is clear and the message is consistent. The government is getting its own house in order. It is downsizing. It is focusing on cutting expenditures and not on raising taxes.

The targets set by the Minister of Finance indicate that we are moving toward the much desired position of a balanced budget. It is reassuring that we are moving in this direction in a fair and humane fashion. We must never lose sight of the fact, though, that some parts of the country are not as economically advantaged as others.

The principles upon which the country was founded require that the federal government maintain a program of redistribution of wealth so that no Canadian should have to endure diminished social security simply because he or she lives in one province as opposed to another. One of the main standards by which we are measured against other countries is the degree of caring and compassion we show to one another. Less fortunate Canadians must be protected.

I realize the system of federal transfers must be reformed. It must become more efficient, more effective and more sustainable. Without this kind of change our capacity to fund would be seriously constrained, maybe even terminated. Some critics say that the proposed changes which consolidate the EPF and CAP into the Canadian social transfer put some social programs at risk. I suggest that without a sustained effort to address our deficit and debt problem the same social programs will be put at even greater risk.

However, in my province of Prince Edward Island there is considerable concern about the possible effects of the new CST. I am sure the Minister of Finance understands that the fact a province has more flexibility and more capacity to be innovative is of minimal value if the resources, the dollars, are not available to work with.

When the minister is negotiating with the provinces I am sure he will keep this in mind. Though the budget document indicates that national standards especially under the Canada Health Act will be maintained, there is still concern in economically disadvantaged areas that there could be some difficulties encountered. It is encouraging that included in the process of change is a commitment to a co-operative approach whereby a new federal-provincial fiscal relationship will be established.

One area about which Canadians were quite vocal was taxation. They wanted no increase in personal income taxes, and there was none. They wanted no changes to RRSPs, and there was virtually none. They wanted health and dental plans left alone, and they were left alone. They wanted big business to pay a fairer share. This has happened with increased taxes on large corporations, a surtax on corporate profits, and a tax on deposit taking institutions.

The public got hit with a small tax it did not particularly want, but I have not heard many complaints about it. That was the 1.5 cent per litre tax on gasoline.

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Overall, for every \$1 in new revenue the government cuts \$7 in spending. That ratio is a fair and balanced way to approach our deficit and debt problem. It is also reflective of the sentiments of the vast majority of the Canadian people.

One of the areas of budget cuts that did impact negatively on P.E.I. involved the transportation subsidies. The cuts to the freight subsidies will be supplemented for a number of years with transitional funding in the amount of \$326 million. There were cuts to the dairy industry. The dairy people did expect some cuts there, especially when they saw the Western Grain Transportation Act being abolished.

One thing not counted on in the budget was the hit from Human Resources Development Canada whereby the farmers will suffer the loss in the agriculture employment program. Hopefully over the next few weeks we can develop a program which will ease the burden on the farmers as they ease out of this well used program.

Atlantic Canada is sharing in the pain of deficit reduction. Two items in the budget which had relatively cosmetic treatment, which would seem to be due for major surgery over the next year, are seniors benefits and UI. I am pleased the government is renewing its commitment to seniors so they will have a system of protection that is fair and reliable.

In order to do that the CPP, OAS and GIS must be sustainable. In making the changes that will make it sustainable I asked the Minister of Finance to keep in mind concerns such as those expressed by John G. Bates of Etobicoke. He said:

I'd gladly trade all the benefits that I'm supposed to be getting as a senior for a return to a level playing field for those over and under age 65.—return my right to work beyond age 65—allow me to be eligible for employer paid health and dental plans—allow me to get tax breaks allowed others through RRSPs and work related deductions and credits.

Discrimination because of advancing age is the last bastion of the bigot.

I would caution the Minister of Finance and the Minister of Human Resources Development that frequent UI users are not automatically abusers. In my riding the main industries are fisheries, agriculture, tourism and forestry. They are all seasonal. Workers in these industries are needed every year. Some of them cannot simply be retrained or shipped out to higher employment areas.

I want to use a quote from the columnist Peter H. Nicol in the *Ottawa-Carleton Review*:

The most significant word to come out of the federal budget speech is the word change. Not the millions of dollars slashed here, the millions of dollars promised there, numbers which are virtually meaningless to those of us who can't balance our cheque books. The word change was the crux of the matter, for it was the first indication that the federal government was prepared to face an issue that the public had been aware of for some time; that is to say that if Canada is going to survive in either the financial or political sense we must make fundamental changes both in our political structures and in our personal lives.