

The Budget

wealthy Canadians and the poor Canadians, the rich and the poor Canadians, those who have and those who do not have. This budget is the latest massive wedge that widens that gap.

Let me take my own area, for example. I am not going to talk about the government's lack of action on the most critical issue and that is the fishery. I am not going to talk about the fact that there was no mention at all of the fishery, not even the word fishery was mentioned in the budget, nor were there any funds for dealing with that most serious crisis. I am not going to talk about that resource. I am not going to talk about the offshore oil. I am not going to talk about the fact that there is no ongoing development at Hibernia which would create jobs in the area which has the highest unemployment rate in Canada. I am not going to talk about the Lower Churchill. I am not going to talk about the fact that although the Prime Minister promised five times on the floor of this House in the last Parliament to develop that particular resource, it is not going. It is not producing hydro power, it is not producing economic and industrial development and jobs. I am not going to talk about that resource, or the fishery, oil, or hydro power. I am going to talk about the most important resource that we have, and that is our young people.

What this budget did was to widen the gap between our young people and their access and opportunity and young people elsewhere in the country. I am going to talk about Established Programs Financing. The government will say there were no cuts, there is an annual increase in Established Programs Financing. The reality is that the gap is growing between what the government promised and indeed what the government contracted with the provinces for transfer payments for education and health. That contract between the two powers was abrogated unilaterally by the Government of Canada and the Minister of Finance because he said: "You will not get the money you had expected, you had anticipated, we had promised, we had contracted with you."

In my own province that is \$162 million over five years that goes to pay for education and health. Thirty per cent of that amount goes into post-secondary education. That means the Minister of Finance in Newfoundland is going to have to find \$50 million over the next five years that he had expected the Government of Canada to pay. He

fully expected, as a result of the five year agreement, an agreement entered into by two levels of government, that he would get that money. He is going to have to find that money somewhere, because that province and that government has committed to post-secondary education as a priority, as an absolute necessity, if we are ever going to break out of this mold that we are in.

Not only did the Minister of Finance take away—or however you want to define it or describe it—\$50 million from the students of Newfoundland, but in addition the Government of Canada has cut by 35 per cent the summer employment program that gives summer employment to hundreds of students in my province and in my riding that helps to finance their post-secondary education.

Third, the government has put what it calls an administrative fee, but is really a 3 per cent tax on Canada student loans which 50 per cent of all students use to help pay for their food, lodging and tuition fees.

Therefore, there is the cut in the Established Programs Financing, the cut in the summer employment program, and a 3 per cent tax on Canada student loans.

I also want to tell you, Mr. Speaker, how the government will treat students under the goods and services tax. Students with earned income of less than \$6,900 will not be eligible for the goods and services tax credit. They are going to be taxed along with everyone else. They will not be exempt. This will be an additional financial burden. Sales from university bookstores will be fully taxable by the goods and services tax. Student transportation by bus, train, taxi, ship and plane will be fully taxed by the goods and services tax. Renters will not get a rebate from the goods and services tax, although purchasers of new homes, people who have their education, people who are married or young couples who want to buy homes will be able to get a rebate. Students who rent apartments or live in boarding houses will not get a rebate under the goods and services tax. Meals and take-out food will be fully taxed by the goods and services tax.

The first part of that wedge is the wedge that the minister has driven between young people in my area and in the rest of Canada. An education, I want to point