

# Feds fall short

Politicians say  
Ottawa must  
do more for province

By TARA MULLOWNEY  
THE TELEGRAM

While Loyola Hearn is confident Tuesday's budget means a lot of important developments for Newfoundland and Labrador, provincial party leaders and at least one other MP aren't so sure.

"It's a very good budget for Canada ... and when (federal Liberal Leader) Stéphane Dion, who everybody thought would bring down the government, says, 'No, we won't bring the government down on this budget,' that speaks for itself," said Hearn, who is fisheries minister and MP for St. John's South-Mount Pearl.

"Basically, I could say, 'I rest my case.'"

Meanwhile, Premier Danny Williams, Finance Minister Tom Marshall, Liberal Leader Yvonne Jones, NDP Leader Lorraine Michael, and Bonavista-Exploits Liberal MP Scott Simms say they would have liked to see more initiatives for this province.

"I would caution Mr. Hearn," Simms told The Telegram. "I wouldn't puff up my chest if I were him. He may have made a couple of small babysteps in the right direction, but he has some great strides to make."

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Hearn noted a number of announcements made in the budget which he said are good news for Newfoundlanders and Labradorians, including the creation of a tax-free savings account; a permanent extension of the federal gas tax fund — which he said municipalities in particular have called "the best thing since sliced bread" — investments for a cleaner environment, in public transit capital trust, to universities, and the Veterans Independence Program; and the establishment of an independent Crown corporation to manage and govern employment insurance.

There were many announcements with particular bearing on this province, Hearn said, including a \$20-billion investment to complete sea bed mapping on the continental shelf, which he called "extra-beneficial" in relation to the province's ownership of resources in the long term and the commitment of long-term investment in aquaculture.

Funding for Marine Atlantic will allow the purchase of a new ferry to transport people and goods to and from the island, he said, and \$720 million in funding for the coast guard will translate into a polar class icebreaker that will be based in Newfoundland.

"That will be bringing along with it well over 100 jobs," he said, adding the coast guard ship St. Laurent, which the new vessel will replace, contributes about \$15 million annually to the economy in Nova Scotia, where it is currently based, in goods, repairs and other services. "This is a bigger boat, so you can add to that."

An extra \$10 million over two years to be invested in small craft harbours is also good news, Hearn said.

The budget provides the money to enable harbour repairs and environmental cleanup, and the divestiture of some recreational and non-core fishing harbours to interested parties like municipalities and non-profit organizations.

"Some of the wharves are eating up the regular budget," Hearn explained. "These sort of compare to interest on a credit card. You're making your payment, but yet you're not making any headway. These wharves are there, they cost us every year, there are liability concerns, repairs needed to keep

them up to par, and yet they're not being used. The money we spend on these can go into the maintenance and improvement of the wharves we do use."

Simms called many of the budget commitments, including the investment into small craft harbours, "mere pittance," and said he would have liked to see more initiatives relating to the fishery, forestry, and for rural areas.

The EI board, while it could be beneficial, could also turn out to be "a huge, dangerous mess," he said.

"I see a lot written about reduction of premiums, but I don't see a lot about helping out in matters that concern seasonal workers. I see the majority of it going toward premium reduction."

"There are some good measures in the budget," Simms continued, "It's not something really to debate. But I would hope that in the future, Minister Hearn would assert more influence over cabinet when it comes to money, because he doesn't seem to be winning when it comes to infrastructure in the fishery."

Williams and Marshall both would have liked to see more commitments to Labrador in the budget, particularly 5 Wing Goose Bay, as well as some fishery initiatives, like an early retirement or licence buyout program.

When it comes to the Atlantic Accord, Williams wasn't expecting any good news from the budget.

"We got slammed last year because they basically took away the promise that was a virtual guarantee of close to \$10 billion for us. From (Tuesday's) perspective, I don't think they'll revisit it. I don't expect that to happen," he told reporters.

Williams said the pulp and paper industry has taken a heavy hit and he would have liked to see something announced to help the industry.

Jones said while there were some new initiatives in the budget, most were nationalistic in approach, and how much of a benefit they turn out to be for this province will depend on how aggressive the provincial government is in making requests

and submitting applications.

There was nothing in the budget that should cause any great debate, she said.

"I think they're sending a clear message that they don't want to go to the polls right now, because it was definitely not an election budget. They were not out there to buy people. There was nothing in that budget that ... as a Canadian citizen or a taxpayer made me say, 'Oh great, I want to go out and support this government,'" she said.

"I think they're trying to avoid an election, and I think the budget was designed to do that, and that's why they didn't launch into any real initiatives that could be controversial or any major spending that would be looked at as vote-buying at this time."

Michael feels the federal government's message through the budget is hard to decipher. What did come across clearly to her, she said, is a lack of understanding for a large part of the Canadian population.

"My first thoughts are that the federal government is really not in touch with the needs of medium- to low-income individuals and families in this country, and they don't have a commitment to social programs," she said. "Everything in there is benefiting the corporate sector and putting onus on individuals to take care of their own needs, and that really disturbs me."

Michael said there was nothing in the budget in relation to affordable housing, child care, or prescription drug costs — all issues affecting a significant number of people in this province.

"There are little things in there that one has to say, 'Yes, that's nice, that's good,' but there's (nothing) that shows an overall plan that government is going in that's really going to benefit people."

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### Weblinks

➤ [www.budget.gc.ca](http://www.budget.gc.ca)



Lorraine Michael



Yvonne Jones