

The Budget—Mr. Breau

I was saying, Madam Speaker, that the budget speech delivered by the Minister of Finance last Monday night is a fair and responsible document. It is responsible because it recognizes the problems facing us and proposes practical solutions. It is fair because it continues the policy of helping those for whom it is more difficult to face the economic situation.

Sometimes, a budget like that can be better because of what it contains, but sometimes because of what it does not contain. What the economic policy of the Minister of Finance does not contain is an element of panic, an element of over nervousness because of the inflation now facing us. It recognizes the problem of inflation and the problem caused by too rapid an increase in the cost of living. But it also recognizes that inflation is not a problem that must be considered in absolute terms. What is important is to look at it in the world economic context. What is important is our position towards other countries of the world.

All hon. members know, as the Minister of Finance (Mr. Turner) knows, that there are steps to fight inflation but what we must do is consider the consequences of various measures introduced by certain hon. members or certain economists.

Obviously, we must try and stabilize prices, I agree with that, but we must also work towards the objective of social justice without losing sight of that objective, and if fighting inflation means in certain cases withdrawal by the government from any intervention in society, then we must give it a second look.

As to the limitation of government expenditures I think an attempt should be made to reconcile the interest of price stabilization with that of greater social justice.

The policy of the government has been to encourage production in order to increase supply and, particularly, to help those who adjust themselves less easily to fluctuating prices. As for the earners with a fixed income, all those who are not unionized and work for very low wages, the government help them by reducing taxes.

In the speech of the leader of the opposition (Mr. Stanfield), which started Monday night and went on yesterday, there is not much to be found by way of positive suggestions that might help us face current economic problems. The leader of the opposition criticizes the government expenses and suggests that they will be very high. But his speech does not propose any effective or concrete measure that could lead us to curtail or even abolish some programs. It is not difficult to say that the government expenses are high and should be cut down. The problem, Mr. Speaker, is to determine which program is least important for society.

I believe that, for the time being, it is not necessary to operate such an important cut in government expenses, for, when we consider how government expenses have been orientated for the past few years, we find that they aim at reducing existing inequities in this country.

[*English*]

On the question of petroleum, here again we did not hear many suggestions from the Leader of the Opposition (Mr. Stanfield). He spoke about the price of oil and about provincial control, but he did not tell us what he would do

[Mr. Breau.]

if he were prime minister. He says we must avoid industrial concentration. Does this mean that if one part of the country wants to be more opportunist than another, its position should be accepted by the rest of Canada?

Mr. Lambert (Edmonton West): Is the hon. member saying that Alberta is opportunistic?

Mr. Nystrom: Or Saskatchewan?

Mr. Breau: Saskatchewan less that Alberta. My point is that it is easy for the Leader of the Opposition to criticize the government for its stand without telling us what he thinks about the consequences of the possible erosion of the federal government's economic position. What does he think about the possible erosion of federal financial power? Does he think it important to retain this power, or not? The hon. member for Yorkton-Melville (Mr. Nystrom) made a comment concerning the merits of the situation; but regardless of the merits, the position taken by hon. members opposite would, if adopted, lead to erosion of the federal government's taxing powers.

I wish to express my firm support for the stand taken in the budget on this question. Some critics have based their arguments on the constitutional position, but I would remind them that the constitution was not written with the idea that it would cover every situation which might arise. Who can say what the spirit of confederation might have been had today's petroleum situation existed a hundred years ago? Everyone accepts the fact that this parliament possesses the power to tax. What is being done under the budget involves the Income Tax Act; we are not depriving the provinces of the power to manage their own resources.

Some hon. Members: Oh!

Mr. Breau: As to the substance of this issue, I believe that one fundamental point was missed by those who took part in the last federal-provincial conference on the pricing of oil. I attribute this to the rhetoric of some provincial premiers and their friends in this House. As far as I am concerned, the crucial point is that there is a petroleum industry in Alberta and Saskatchewan today, not because those provinces were clairvoyant but because of a series of national policies. The protected market up to the Ottawa Valley line at a time when there was no export market, the system of depletion allowances, and the application of special export policies are among the measures adopted. The producing provinces have been the beneficiaries, and I am happy for them; but these were national compromises which some of us have had to defend. Not enough attention has been paid to this side of the story. If there is a petroleum industry in western Canada today, the whole of Canada paid for it.

Mr. Lambert (Edmonton West): Nonsense. We couldn't raise a penny in Ontario and Quebec.

Mr. Breau: That might very well be so, but when a large percentage of our investment goes into one segment of the economy, someone has to make a sacrifice. Some of us had to defend the policies designed to support the oil industry in Alberta and Saskatchewan, and we are happy about that.