

Economists are now estimating that the total impact of this budget upon consumers will approach \$1.5 billion. That is the price that they are paying for the ineptitude of this minister.

In his Monday night performance, the minister announced, among other things, a 10 cents per gallon tax on gasoline. I find this most surprising. In fact, I would be very interested to know what took place in cabinet in recent days and weeks, because as we were reviewing the Petro-Can proposals in committee, we were naturally questioning the Minister of Energy, Mines and Resources (Mr. Macdonald) about why he felt Petro-Can was needed and about what alternatives he had considered. During that questioning a comment was made by one of my colleagues that the Americans had introduced a certain pricing mechanism for various reasons, and asked did the minister basically believe that that type of approach was wise and should be followed in Canada? I should like to read into the record the answer given by the minister to the Standing Committee on National Resources and Public Works on that date. The Minister of Energy, Mines and Resources said this:

I really do not want to speculate on the success or failure of the United States government policy. It does not happen to be our government policy . . . We do not see the imposition of sales taxes on Canadian consumers as one of the means of achieving such a policy.

That was said only on May 20 last. But most surprising of all, Mr. Speaker, on June 5 the same minister before the same committee was asked what was the real reason for Petro-Can. He replied as follows:

But the most critical thing which we are concerned about . . . was to keep the price of oil down for Canadians.

Then he repeated, that the most critical thing was to keep the price of oil down for Canadians. Why are we being asked to incorporate the sixtieth Crown corporation of this country and to give it \$1.5 billion free of charge to keep the price of oil in this country down, when within days the Minister of Finance puts a 10 cents per gallon tax on gasoline used by the general public in Canada?

**Some hon. Members:** Shame!

**Mr. Nowlan:** No wonder he went to Tokyo.

**Mr. Stevens:** How inconsistent can you get, Mr. Speaker? But what I have related is typical of the inconsistency that we find in the government. Perhaps I am being overly kind when I call it inconsistency. The fact is that it is just downright deception on the part of the government.

Speaking of deception, I have referred to the so-called restraint on the part of the government and the Minister of Finance. The minister has made a mockery of the word restraint in what he did on Monday night, when he suggested that \$1 billion has been cut from government spending programs but did not make it clear that this \$1 billion cut had nothing to do with the estimates that he gave us last November. This is just a \$1 billion cut that the minister says he has made. It is a talking cut.

The \$1 billion that the minister refers to does not come out of the \$28,750 million expenditure item he recited in his November budget. It is \$1 billion that his colleagues presumably asked him to agree to over and above what he told us was the maximum amount the government needed

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last November. Did the minister make that clear on Monday night, Mr. Speaker? No way. He misled this House and he has attempted to mislead the public of Canada by telling the public that he is a minister of restraint.

● (1540)

I have referred to that Petro-Can dream which has turned out to be a \$1.5 billion nightmare. Let me be specific. In his budget address, after stating that the government's target in this fiscal year is to cut expenditures by \$1 billion, the minister then ventured a few suggestions about where these cuts would take place. We find, for example, that he said about \$350 million will be cut from Crown corporations and agencies, and this will affect such corporations as Petro-Can, the Federal Business Development Bank, the Federal Mortgage Exchange Corporation and the the Farm Credit Corporation.

When the minister made that statement on Monday he presumably did not know that the President of the Treasury Board (Mr. Chrétien) a few weeks earlier had given us a dollar for dollar breakdown on what was included in the November budgetary figures concerning these advances to Crown corporations and other agencies. I should like to draw to the attention of members of this House that there is only one Crown corporation or agency referred to by the minister on Monday night which was referred to in the estimates as outlined by the minister in November of last year.

The fact is that when the minister says he is slashing \$350 million from Petro-Can, the Federal Mortgage Exchange Corporation and the Federal Business Development Bank, he is wrong, because there is not one nickel included in the estimates he gave us in November, 1974, for advances to those Crown corporations and referred to by the minister.

We asked the Minister of Finance, the President of the Treasury Board, and the Minister of Energy, Mines and Resources at committee meetings if any amounts had been included in the estimates for Petro-Can, and each of them said he did not know. When we pressed the Minister of Energy, Mines and Resources to indicate how soon he needed the \$1.5 billion he wanted to put into Petro-Can, free of any charge, incidentally, he finally agreed he only needed about \$1 million in the current year. Is that \$1 million included in the \$350 million the Minister of Finance was talking about cutting back? If it is, then I think the minister owes this House an explanation as to where the other \$349 million he is talking about is to come from.

Dealing with this petroleum corporation, I would point out to hon. members of the House that it is the proposal of the government to put \$1.5 billion into Petro-Can free of any charge from the treasury—no interest charge and no dividend will be required. If this amount were put out at 10 per cent interest it would yield \$150 million a year in revenue. That is the extent of the subsidization the government is putting into Petro-Can if it is allowed to go ahead with that proposal.

I mention this because I feel it involves a question of priorities. Is the \$1.5 billion of free money which will be utilized in Petro-Can to be as well used in that corporation as it might be in other endeavours for the Canadian