This budget states how strongly Ottawa wishes to restrain expenditures in one area, especially on the items of medicare and hospital costs. Indeed, it is desirable that those systems be brought down to more reasonable growth rates and that they represent less heavy a burden for the federal budget. It is to be noted however that the federal government itself has drawn the provinces willy-nilly into those shared costs programs, for which they were not all overly enthusiastic. Fortunately, in this regard, the government has provided itself with a five year period to resume negotiations with all its provincial partners where needed so that new arrangements might be worked out according to a real consensus.

As far as medicare is concerned, it will be noted however that the restrictions put into this budget remain very small. And I am sure that with his tact, the minister of National Health and Welfare (Mr. Lalonde) will be able, when he will start talks with the provinces on this matter, to achieve a solution which will not put a heavier burden upon the provinces but will provide the interested parties with methods which will slow down the growth of costs while increasing the exceptional quality of the services given to Canadians.

Lastly, Mr. Speaker, the only measure that puzzles me is the change to the Unemployment Insurance Act to exclude people aged 65 or more from the unemployment insurance program. I am assured that this measure will be accompanied by another that will improve the quality of life for those who built the Canada we have today. The 65 year olds who wish to remain on the labour market do so by necessity and surely not for their pleasure.

To conclude, I wish to repeat, Mr. Speaker, that my riding of Chambly is progressing admirably well at the industrial level but it needs a lot of assistance from the Minister of Environment (Mrs. Sauvé) and the Minister of Indian Affairs and Northern Development (Mr. Buchanan). In the last budget the funds of the Minister of Environment were cut by about $51 million and I hope that those cuts will not affect the execution of the works already planned and that, at least, the federal government will be able to sign very soon the tourism agreement that should give to my area about $12 million for touristic development and the improvement of the environment. I hope that this agreement will be signed as soon as possible so that these works can start this fall or next spring at the latest.

[*English*]

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, despite the apologists for this budget who exist on the other side of this House, amongst the news pundits of this country this is a do-nothing budget. Someone has said that it reminds one of a person who goes fishing, not to fish but to sit around doing nothing. It would be charitable to call this budget neutral—a budget which will result in putting another 100,000 to 150,000 Canadians on unemployment by this winter when there are almost 700,000 there now. It would be more realistic to refer to it as mediocre. Indeed, it is worse than that. Rather than stabilizing the economy, as budgets are usually meant to do, this one ensures that for the next year we will live with very high prices and very high unemployment.

[Mr. Loiselle (Chambly).]

It is very easy to understand why Mr. Peter Brimelow, writing in the *Financial Post*, said that this is a budget which pleases Bay Street in Toronto. Little wonder that the parliamentary leader of our party could say, after listening to this budget, that the game plan of this Liberal cabinet, led by the Minister of Finance (Mr. Turner) and the Prime Minister (Mr. Trudeau), is that the corporate welfare bums will receive $350 million and the public of Canada zero. One can easily understand why the Leader of the Opposition (Mr. Stanfield) referred to the budget as a cynical document.

The part of the minister's budget which has received the most notice and criticism has been the gas and oil increases, and well it should. The 15-cent addition to the gasoline bill is, to say the least, a solar plexus punch to the ordinary working men and women of this country. Let us consider, as well, its effect on the poorest provinces of this country, the Atlantic region provinces. Let us consider my own province of Nova Scotia. We all know that oil price increases are serious in the rest of the country: they mean higher gasoline prices, higher prices for many manufactured products, and higher home-heating prices.

In my home province we will pay a much higher price for power because we depend on oil-fired electricity for 55 per cent to 60 per cent of our needs. Because of our higher industrial capacity relative to the other Atlantic provinces, oil price increases hurt Nova Scotia more than any other province.

The Nova Scotia Power Corporation estimates that our province uses 40 to 45 barrels of oil per person per year, while the Canadian average is about 25 barrels. Based upon comparative prices, but more especially on the security of supply concept, we in Nova Scotia, through the Cape Breton Development Corporation, are trying to use more coal, but as of now, subject to a more detailed inventory study which is going on for the whole of Nova Scotia, the fact is that our economic reserves of coal supplies in Cape Breton, with present technology, run only in the neighbourhood of some 200 million tons. For the future we can add a couple of more modern mines which will, if tied to long-term power contracts over a 15-year to 20-year period, guarantee less of the boom and bust cycle which has plagued our coal economy in the past. This will mean some help for the province, and there are other possibilities farther down the road. In the meantime, though, to argue for oil price increases on the premise of national equalization of prices does not make much sense to us in Nova Scotia or the Atlantic region.

● (1710)

National equalization of prices is no equalization at all if it does not take into account the serious situation in the Atlantic region and especially in Nova Scotia. We recently had a major increase in our electricity rates. When the present contract runs out with Imperial Oil in 1977, given the increases implicit in the budget we will probably surpass Prince Edward Island as having the highest power rates in this country. Surely a government that sets up a Department of Regional Economic Expansion to close disparity of income gaps is not going to let that happen. The oil price increase envisaged in this budget is a crime against the Atlantic region and especially Nova Scotia.