

The weekly employee rate of unemployment insurance contributions for 1980 will be increased from \$1.35 per \$100 of insurable earnings to \$1.60. The employer rate will be increased from \$1.89 to \$2.24.

The howl from the hon. gentlemen then in the opposition was deafening. They said that this was unconscionable. They said it was another unconscionable thing that we should attempt to raise the contributions from employers and employees to help meet the heavy costs of unemployment.

What is in the budget for this year? At page 17, the Minister of Finance said this:

I am announcing on behalf of my colleague, the Minister of Employment and Immigration, that effective January 1, 1981, the weekly rate of unemployment insurance contributions will be raised to \$1.80 per \$100 of insurable earnings. The employer rate of contribution will be increased to \$2.52.

That is 20 cents more than we proposed. The employer rate of contribution will be increased to \$2.52. We suggested \$2.24. That is 28 cents more. These are very significant increases in both categories in excess of \$1 billion this year. That will be taken from employers and employees by the government which last year decried the practice and wept crocodile tears on the floor of this House. There are a few similarities in these two budgets, except that the minister's budget was far more unconscionable than mine when it came to raising revenue.

Other speakers on our side will be dealing with questions such as of research and development and how that has been ignored, as far as we can tell, and how the economic development envelope has been increased. We are told the economic development envelope is supposed to include a western development fund of \$4 billion. I assume it will have to be increased if it is going to include that. It is very hard to see what will be increased in the economic development envelope if there is to be an additional \$4 billion for the west.

Let me suggest something to hon. gentlemen opposite. Instead of creating this \$4 billion fund for the west, so-called, why do you not let the west look after their own development by treating them fairly and squarely with respect to oil and gas? The federal government has certain responsibilities in the west just as it has in the east and in the centre. It has the responsibility for giving them a decent transportation system, a decent system of ports and a decent system of shipping grain, all these things that we have a right to expect everywhere in Canada. There is no need for a special suggestion that there is going to be a \$4 billion fund. This is conscience money.

● (1640)

They are thrashing the west. They are bearing down on the west. They are taking control over the oil and gas industry. They are taking away many of their ownership rights. Then they say: gentlemen, we are going to give you a \$4 billion fund for western development which we are going to spend on your behalf. It just so happens that westerners would like to have their own \$4 billion to spend in accordance with their own priorities. Let the federal government spend its own money, got legitimately in its proper, legitimate areas of policy across Canada in its own jurisdiction. Do not think westerners will thank you for that \$4 billion development fund for the west, not at all.

The Budget—Mr. Crosbie

Some hon. Members: Hear, hear!

Mr. Crosbie: The government should be leaving \$4 billion with the west in its oil and gas regime and energy package. That is something it should be doing for the west, letting them develop themselves, not taking billions and billions from them and then giving them back a little. That is the same situation they want for Newfoundland.

Imagine the Minister of Justice threatening the premier of Newfoundland in this House last week. What is this country coming to when the big \$60 billion Government of Canada says that a premier of this country cannot speak his mind on constitutional issues or he is going to suffer, the Government of Canada is not going to give him any assistance if he does not do what he is told—he will get nothing on the Lower Churchill if he does not watch what he says?

Why is it that hon. gentlemen opposite will not recognize the coastal provinces as being the owners of offshore minerals? Why? Because it wants us down there like trained seals, waiting for them to hand us our gifts just like they are now asking the west to put their paws out for \$4 billion for a western development fund.

Some hon. Members: Hear, hear!

Mr. Crosbie: We are not coming to Ottawa cap in hand to this government or anyone else in Ottawa, those of us from Newfoundland or in any of the maritime provinces. We are going to speak our minds. We are full citizens of Canada. We have been here 31 years and we are going to have our say with no threats or bullying by the Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. MacEachen) and the Minister of Justice (Mr. Chretien). They are not going to deter our government, you can depend on that.

Some hon. Members: Hear, hear!

Mr. Crosbie: Page 15 is where the minister is so satisfied with the capital gains tax. He is going to release a discussion paper.

It shows that Canada's system of taxing gains is favourable to taxpayers.

How come? Are they not paying any taxes at all? Is the minister going to index the capital gains tax? In all justice, if he is indexing the personal income tax as he should, there is a strong case for the capital gains tax to be indexed. Otherwise he is taxing the families of the poor farmer who dies. He is taxing them on all the inflationary elements of their so-called capital gains tax. The minister does not care about the inflation impact on capital gains. He says it is very favourable to the taxpayer. He said, and I quote:

As well, the taxes on inheritances and wealth in Canada are the lowest among 21 OECD countries surveyed. The paper notes that, while the system has imperfections, the taxation of capital gains is an important source of government revenue, has important tax structure implications and is essential for the equity and fairness of the system.

I wonder what the farmers are going to think of his position on capital gains and what the business sector is going to think. Much of their profit these days is not profit at all. It is because