

Oral Questions

a significant tax reduction for the people of Canada: \$1.2 billion for 1980, which hon. gentlemen opposite are trying to stop, a mortgage interest and property tax deduction, another \$1 billion in 1981 under the energy tax credit, and \$1.4 billion in connection with the index of the income tax.

That is what I can confirm, that every consideration has been given to the Canadian taxpayer, but that we need to have a drive toward conservation and energy self-sufficiency, which is another part of the budget and which the people of Canada are responding to very positively.

Some hon. Members: Hear, hear!

Mr. Rae: Mr. Speaker, it is clear that this budget should be subtitled "New Adventures in Mathematics". I have a supplementary question to the Minister of Finance. In view of his statement last night that the creation of new jobs and new employment was essential, can he explain to us as well as he explained in his first answer how it is that the government saw fit to increase the cost of unemployment insurance premiums by \$800 million at the same time as they are saying they want to increase employment. How does that increase jibe—to use a Newfoundland expression—with the intention of the government to create new jobs?

Mr. Crosbie: Mr. Speaker, I am glad that the hon. member accepted my answer to his first question and did not follow it up with a supplementary. As far as jobs are concerned, if the hon. gentleman looks at the budget he will see that the new employment tax credit program is going to create 100,000 jobs; that we are going to spend, in tax expenditures, \$150 million more than the official opposition did last year; that we also have a special fund of \$50 million for employment creation projects in eastern Canada, Quebec and the Atlantic provinces; and that this whole budget is replete with job-creation through our assistance to small business corporations by making the salaries of spouses deductible in small, unincorporated businesses.

There are 400,000 unincorporated businesses across Canada which can benefit from that, and 300,000 small business corporations from our small business development fund. On and on it goes, a budget of job-creation and reaching toward our potential.

Some hon. Members: Hear, hear!

ADDITIONAL EXPORTS OF NATURAL GAS TO UNITED STATES—
COST OF REPLACEMENT FROM FRONTIER AREAS

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, my question is to the Minister of Finance. The centre-piece that he announced last night in the budget—at least, the current account showpiece—is the 3.8 trillion cubic feet of gas to be exported to the United States which will bring \$15.5 billion according to the minister.

Since the Minister of Energy, Mines and Resources admitted last week that conventional supplies of gas would run out, or at least demand would exceed supply in 17 years, can the

[Mr. Crosbie.]

minister give me an estimate of the cost to the next generation of Canadians of replacing this gas from frontier areas which would be far more expensive than what we are selling it at now?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, I can give the hon. gentleman this assurance, that the next generation of Canadians will be freezing in the dark if we do not take the steps we are taking now for energy self-sufficiency in Canada.

Some hon. Members: Hear, hear!

Mr. Crosbie: In connection with the export of gas, that has been approved by the National Energy Board, an independent agency whose members were appointed by the last government—all of them—and who have reached the conclusion after studying this area that we have this surplus that can be exported. Unless we export this surplus gas, we will not have any exploration and development of other sources that is going to go on year after year well into the twenty-first century. So the hon. gentleman does not need to worry: we are looking after the next generation, unlike his government which did not do it.

Some hon. Members: Hear, hear!

INCREASE IN PRICE OF OIL—DETRIMENTAL EFFECT ON FOOD
PRICES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that even before last night's brutal budget, spokesmen for the food industry and for consumers at a conference sponsored by Agriculture Canada yesterday were predicting an increase in food prices of at least 15 per cent in 1980 because of transportation and energy costs and high interest rates—a figure which will quickly become even higher as a result of last night's oil price hike—and in view of the fact that the chairman of metro Toronto has been quoted today as saying that it will be necessary to raise property taxes in metro because of the oil price hike, will the minister tell the House how he justifies taking billions of dollars away from consumers while failing to use it to finance energy-saving measures?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, one of the important influences on food prices is the state of the Canadian dollar. Hon. members opposite have been complaining because steps have been taken to try to maintain the Canadian dollar around its present level so that the food and other goods which we import will not increase in price because of the price of our dollar compared to that of the United States, from which we import much of our food. That is one of our concerns. We are very concerned about the situation. It is the government's energy policy and its drive toward conservation and energy saving that is going to result in improvements in food prices in the future. There has to be some short-term pain for long-term gain; that is the way we have to look at it.