

*The Budget—Mr. Stanfield*

larly when it forced the program in its present form on many of the provincial governments in this country.

I do not say that the four main principles that Mr. Pearson put forward were unacceptable, nor do I say that all provinces objected to those four principles, but most provinces did and most provinces foresaw what was going to happen because of medicare escalating costs. They know how difficult it is to control a program of this type once it is in place. I myself know about it because I attended several provincial-federal conferences trying to persuade the government of the day in Ottawa to be more flexible and to permit the provinces to enter into agreements on medicare which would lend themselves somewhat more to control.

I was certainly not alone in that. I can remember the then premier of Ontario, Mr. Robarts, making a very determined effort to get the federal government to see a little something in the way of reason. Certainly control is important, but it should be based on discussion, particularly in view of the history of medicare and in view of the history of the stubborn and determined attitude of the Government of Canada in connection with medicare.

**Some hon. Members:** Hear, hear!

**Mr. Stanfield:** All in all, these attempts by the government to attain restraint by putting a bigger burden on the employee and employer in the case of unemployment insurance, and to put a bigger burden on the provinces in the case of the hospital plan and medicare is, I say, a very sorry thing. It is not a very edifying example for the Canadian people, and is just about as phony as the consensus program. It is pitiful to see, once again, housing as a casualty of the lack of any general economic policy in this country. It is socially bad, it is bad for employment and it is bad for inflation, because faced with an acute shortage as we are—certainly there is no pick-up in the economy—this means higher prices, higher rents, a further thrust to the forces of inflation and the very opposite of any atmosphere conducive to restraint in our country. There is nothing in the budget to head this off.

Yesterday, the hon. member for York-Simcoe made a number of proposals on behalf of my party. They are realistic, they are sensible and I believe they are helpful. I expect them to be developed further by the hon. member for Kingston and the Islands (Miss MacDonald) when she participates in this debate.

**Mr. Cullen:** You will certainly need help.

**Mr. Stanfield:** It is you who needs all the help you can get. I will simply say this in connection with housing, before moving on to something else. It is surely an area where the government could have done something, and it could have done something to fight unemployment and inflation at the same time. The budget represents a pitiful cop-out in that direction. The minister puffs himself up in his budget speech and says:

One million more Canadians are at work today than when I took this office.

I am obliged to advise the minister that there are now 1½ million more Canadians in the labour force than there were when he took the finance portfolio. That is the sober

[Mr. Stanfield.]

fact behind all his self-congratulation. The fact is that the minister should not be patting himself on the back with regard to employment, although he does that kind of thing pretty well because he does it so frequently. For his performance in job creation he deserves a kick, more than a pat—a gentle admonition delivered about two feet lower than the normal reception area for a pat.

● (1600)

When the minister and his cabinet colleagues are not congratulating themselves on their successful maintenance of the force of gravity while the Liberals have been running things, they are manufacturing outlandish profundities. They say there is no easy solution for unemployment, just as they say there is no easy solution for inflation, another example of devastating insight on their part. I get the impression that if they cannot find an easy solution, they drop the pursuit of any solution at all.

**Some hon. Members:** Hear, hear!

**Mr. Stanfield:** The minister paraded a whole regiment of options before the House on Monday night. He cannot find solutions because he has all these options. He had more options than a mosquito in a nudist colony.

**Some hon. Members:** Hear, hear!

**Mr. Stanfield:** When it comes to attacking unemployment and inflation, the minister is certainly not out for blood, with the result of the bite being sustained by the ordinary Canadian. We are going through another period of speculation these days regarding the minister's own options. He has not consulted me about this. I should not give him any gratuitous advice, and I will not do that, but I ask him whether he is keeping his options open or whether he is playing out his option. I hope he makes up his mind soon, because—and I say this in a spirit of good will—I am afraid the minister is starting to lose interest in his work now that he is involved in so much backing and filling and marking time.

There is no anti-inflationary policy or program in this budget. It buries the consensus program, if the consensus program was alive before the budget was delivered. The budget shows no restraint except rhetorically. Of course, there is no restraint as far as rhetoric is concerned, but there is much rhetorical restraint in the budget. It does not set any example itself and it does not encourage restraint by others. There is a ten-cent tax on gas and there is a bigger demand by the government on the gross national product in a year of no growth in the economy. I think that is a pretty fair summary on the effect of the budget.

I want to say, in all honesty and as fairly as I can because it is a serious charge to make, that the government is clearly counting on unemployment and economic slowdown to cool off inflationary pressures in this country. I do not say that the government deliberately created the unemployment or the slowdown, but I do say that the slowdown and the associated unemployment are the only factors tending to cool off inflation today in Canada. Clearly this is what the Prime Minister and the Minister of Finance are counting on. The consequences will be even more unfortunate than the policy of the Prime Minister