putting in basic sewers, water works, and the other subdivision capital needs required in order to have more lots available for people to build homes to live in.

Having said that, Mr. Speaker, I should like to emphasize again—and if the minister wishes us to be more specific we can—we believe that spending can be curtailed sufficiently not only to cover the gas tax reduction that I have indicated but also to finance the programs I have indicated to help the housing industry. We believe that cuts in spending can be realized not only to look after those two items but also to reduce both the cash deficit and the budgetary deficit that the minister suggested on Monday.

We believe the approach we suggest is a responsible one and that it will help with respect to inflation. It will certainly be welcomed by the Canadian people who want to see more restrained spending at government levels. Above all, it will give the consumers of this country some relief from the charges and taxation imposed by the minister on Monday night.

Mr. Speaker, I should like to move, seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner):

To delete all the words following "That this House" and insert:

"deplores the failure of the government's budget to deal with inflation and provide for a healthy economy; and in particular regrets the social injustice inherent in both the ten cent gasoline tax and the lack of necessary action to encourage the provision of housing at reasonable cost for Canadians."

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in my view it would be impossible to produce a worse budget than was presented to the House of Commons on Monday night of this week.

● (1620)

The country urgently required a budget which would cut into inflation and reduce unemployment, both of which are at record levels. The minister managed to accomplish, by what metaphysical process I know not, the opposite. His proposals will increase unemployment and lead to further inflation.

Most countries of the western world have tried to work their way out of "stagflation". Their dilemma has been how to deal with unemployment without inflating the economy, or vice versa. Only in Canada has the government seen fit to resolve the economic riddle by worsening both situations simultaneously. A mad genius has been let loose in the Department of Finance, and I am tempted to name him. However, the Minister of Finance (Mr. Turner) and his colleagues in Cabinet, not some civil servant, must bear the full responsibility for this madness which is called a budget.

In terms of unemployment and inflation, what does the budget do? Instead of holding the line on the price of oil and natural gas, the budget is to increase the price of both and add an excise tax to boot. The net effect of these steps will be, first, to increase the cost of living for every Canadian by two points on the Consumer Price Index. I am sure that the minister's officials told him that this would happen. Second, the budget will increase unemployment by .5 per cent. Third, it will reduce further, by about 1 per cent, the growth of our economy in the coming year. I am sure the minister's officials made him aware of these facts. Our growth is already at zero; it cannot go any lower.

It is estimated that the increased energy bill resulting from this budget will be around $2 billion. A great deal of the burden will fall on people who have no choice about whether or not to drive to work, or who have no alternative transportation. The effect on them will be not that of conservation, but of less money available to spend on necessities. Similarly, most people have no choice about heating their homes in the winter. They have to use heating oil or gas, no matter what the price is. Indeed, people will find that their heating bills have gone up precisely at the same time as manufacturers begin to raise their prices for consumer goods in order to make up for increased energy costs. Canadians, in short, will lose out, and seriously, on both counts. Many will be affected even more seriously.

First estimates of the effect on employment indicate that around 15,000 jobs will be lost in Ontario alone because of the increased cost of energy. The effect in the Maritimes, where unemployment it seems, is already permanently between 10 per cent and 12 per cent, can be expected to be even more severe. Premier Regan himself made this point during the past 24 hours.

If there were any chance that more jobs would result from this enforced belt-tightening affecting the most vital sectors of the economy, my party might say that it thinks a temporary readjustment might be worth while. But it is abundantly clear that our already negative growth rate will be severely set back because of these measures so I have made the point previously that we may have one million people unemployed this coming winter. These budget proposals make that unemployment a virtual certainty.

And where is all the money which the ordinary people are losing through increased prices to wind up? Well, a preliminary estimate shows that the energy companies will reap about $350 million a year from the price increases alone. The myth is that this will go toward more exploration and development for new sources of energy. There is absolutely no guarantee that this will happen. Indeed, some oil executives acknowledged this as recently as a few hours ago, on the radio.

As they have done so many times in the past, the Liberals have given millions to the oil companies and suggested, merely suggested, that they use it for the public good. Answering the Leader of the Opposition (Mr. Stanfield) and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) in the House, the Minister of Finance this afternoon made it clear that the oil companies are not obligated to use this $350 million a year for further exploration. Indeed, according to reports in this morning's newspapers, one oil company executive wants gasoline prices to rise to $1 per gallon. The first reaction of the oil companies to the millions of dollars in windfall gains which this budget will give them is that the gains are not enough. They need even more money to spend, but there is to be mandatory regulation directing that this money shall be spent on further resource development.