

Quebec and the Atlantic provinces. Mr. Speaker, as a maritimer I resent and object to being placed in the position where any time people buy gasoline in Ontario or in the west they will feel resentment toward the people of Quebec and the Atlantic provinces. A one-price system and any subsidy in connection with it should be supported from the general revenues of this country. I say that a ten-cent a gallon tax on gasoline is just about the poorest type of tax one could have selected.

Some people talk about the conservation effect of the gas price increase of ten cents a gallon, but the minister does not try to justify it on that basis. When one asks him what the consequences of the effect will be, he says he does not know. How much would it decrease consumption? Based on the answer of the minister in the House yesterday, it would seem that he does not have even the foggiest idea. In any event, if the aim of the minister was to create an atmosphere conducive to restraint, this ten-cent a gallon tax on gasoline should have been offset by a reduction in other taxes. If the aim is to encourage an attitude of restraint on the part of the working people of this country, or Canadians generally, through a tax like this for something that is thought necessary in the public interest, obviously it should be offset with a reduction in some other tax so that the people do not feel they have been had, as they do now. But the minister has not done this.

So far as constraint or any atmosphere conducive to restraint is concerned, the budget is simply a bust. Actually, the minister is doing exactly what he has asked other people not to do: he is increasing the government's share of the gross national product and is encouraging others to try to protect themselves by asking for more. So, sir, the consensus is dead—if it ever was alive—and restraints are simply a sham.

● (1550)

Some hon. Members: Hear, hear!

Mr. Stanfield: The Minister of Finance spoke about cutting back expenditures by \$800 million. The hon. member for York-Simcoe (Mr. Stevens) dealt with this in a masterly fashion yesterday when he pointed out that what the Minister of Finance was cutting back were the estimates that were presented in November. He was simply cutting back on the demands and requests of the ministers. You have to go through that every time you make a budget. The short answer to him is that the total expenditures that he is now projecting for the current fiscal year are no lower than the estimates for the current fiscal year which he projected last November. That is the complete answer to any claim by the minister that he has cut back expenditures. It would not be an exaggeration to say he has not cut expenditures by a nickel.

Some hon. Members: Hear, hear!

Mr. Stanfield: It is the old Benson ploy. We went through this with one of Mr. Benson's efforts when he talked about how much he cut back estimates. All he did was to cut down some of the requests by some of the ministers. I would have expected the current Minister of Finance to be a little more subtle and a little more original.

The Budget—Mr. Stanfield

The minister tries to create the impression of restraint by looking beyond the current year to show what plans he has to bring under control two programs obviously costing many times more than the government forecast they would cost when they were first put in place. Both are shared-cost programs. One is unemployment insurance, the cost of which is shared between the federal government on one hand and employers and employees on the other. For unemployment up to 4 per cent the cost is borne by employers and employees; above 4 per cent, by the Government of Canada. The Minister of Finance has found an easy way to reduce federal expenditures for this program simply by reducing the percentage of the total cost that is to be borne by the federal government. It is an ingenious idea. The federal government will no longer pay the cost of unemployment above 4 per cent; it will only pay the cost of unemployment above the average rate in the previous eight years. So employers and employees will pay on the basis of the government's mistakes over the previous eight years. That is restraint!

I do not know how much the changes in four provisions in the Unemployment Insurance Act to which the minister referred will affect the total cost of the program to Canadians. The Minister of Manpower and Immigration (Mr. Andras) refused yesterday to give any information on this until somewhat later. Presumably he wants to give a very elaborate explanation and elaborate qualifications in connection with his estimates. But the change in the total cost of this program to Canadians as a result of the proposed changes cannot be very great or this government would not be trying so hard to reduce its proportion of the total cost of the program. Certain of the proposed changes will do very little to reduce disincentives which employers—especially small employers—can bear, to which the Minister of Finance made a general reference on Monday night.

In the case of the hospital plan and medicare, these of course are programs shared by the provinces. The government proposes to restrain its expenditures by reducing the federal proportion of the cost, thereby increasing the provincial proportion of the cost of these plans. The Minister of Finance did not put it that way but that is the effect of his proposal. In the case of the hospital plan, he cannot impose any changes on the province for five years because it has been signed on the dotted line. That is what you would call exercising restraint, revoking the agreement some five years hence. But in the case of medicare, the government is not bound by any written commitment to pay a stated percentage of the cost of a program which the federal government imposed on the provinces in its present form.

The imposition of unilateral savings by the Government of Canada—that is, unilateral savings in so far as the Government of Canada's share is concerned—is a breach of the understanding reached by the federal government with the provinces, but not a breach of any formal document. The federal government is guilty of treachery, but it is not guilty of any breach of the law if it proceeds to reduce its share of national medicare. I say it will evoke enormous bitterness on the part of provincial governments and the people they represent for this government to act as it proposes to do in connection with medicare, particu-