

non-residential construction, and thus restrict output, opportunities for employment and even price stability.

The minister has shown an excessive fear in his budget, a fear of overstimulating the economy and, ultimately, of creating more inflation. How can the Minister of Finance ignore the clear evidence showing that although the oil price increase will be inflationary, the rate of inflation is abating? Does he really want to put another 100,000 or 150,000 Canadians out of work to guarantee the abatement of inflation, and discourage many more thousands of Canadian workers from looking for work, as many will not even bother to seek employment in such a national environment?

Could not somebody in the cabinet convince him that excess demand has long since been replaced by excess supply in Canada's industrial capacity? The 7.2 per cent seasonally adjusted unemployment rate is proxy evidence of that fact. Could not somebody convince him that as we come out of this long recessionary phase of the business cycle, our productivity indices will naturally rise in our type of market economy, and that with that rise will come lower unit costs?

Are the progressive Liberals in the cabinet convinced that their fear of inflation justifies braking the recovery of the economy, to the extent of allowing between 800,000 and 900,000 Canadians to be unemployed? Mr. Speaker, to retard the spark of recovery which is now evident in our economy, as the Department of Finance is doing through this budget in the name of the war on inflation, is to say, "Let the jobless take the hindmost". It is an exercise in the economics of fear, an exercise of politics without compassion. It is immoral.

[Translation]

● (1730)

Mr. Armand Caouette (Villeneuve): Mr. Speaker, I have to rise in this debate following the budget speech read on June 23 by the Minister of Finance (Mr. Turner). I must say I deplore the attitude of the Minister of Finance and of the government about increases in the price of oil, natural gas, gasoline and heating oil.

Mr. Speaker, within a few years, Canada will face a shortage in energy resources. We know our reserves are getting lower. This is a problem which concerns every Canadian citizen and we should take immediate steps to find solutions to that serious problem. Special attention should be given to the search for new energy sources, but the government will certainly not solve the problem by cutting down the purchasing power of Canadians or by increasing the price of gasoline and heating oil.

Mr. Speaker, heating oil and gasoline are two essential commodities nowadays, and the present increase does not solve the problem of oil. That increase will solve no problem at all. On the contrary, it will mean new problems for workers who earn less than \$10,000 a year and have to drive to work. I know people who have to drive 50 or 60 miles a day to go to work and earn a living. Having a car is by no means a luxury for those people. It is just a means of earning a living for themselves and their families. People frequently have to travel to earn a living today.

Mr. Speaker, the budget provides for an increase in the price of heating oil. But let us remember workers with an

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income of hardly \$7,000 a year who have to provide for the needs of families of four or five children. They see the price of heating oil skyrocket from one year to the next. Heating is a necessity, not a luxury. By boosting the price of oil products such as heating oil, the government inflicts a serious prejudice on Canadian citizens and puts them in an awkward situation, since they have to heat their homes eight months a year. The government has adopted a very unfortunate attitude. It might have been much wiser to raise the cost of products which may be harmful or dangerous for the health of humans such as cigarettes and alcoholic drinks.

Mr. Speaker, the budget also provides for reductions in the growth in civil service employment while, on the other hand, providing for an employment program whose cost is estimated at \$450 million over two years. Why make reductions in the sector which serves Canada, and thus reduce its efficiency, when the government claims it wants to stimulate the economy and create new jobs?

Mr. Speaker, as I was saying a few moments ago, it would have been better to increase the cost of products that are harmful to health than to jack up the price of a product such as heating oil which all Canadians need. In his budget, the minister does away with the special tax on wines; it would have been more logical to increase it. Wines are not indispensable to our development and well-being. It is not daily need: it is a luxury. Canada is a country where huge quantities of alcoholic beverages are consumed; considering the fact that it is the source of many social problems, it would have been more logical to tax them. Quebecers, in 1974-75, drank \$361,700,000's worth of alcoholic beverages.

We are constantly told that tobacco is harmful to one's health, that it can cause cancer. Why not overtax that product? Those taxes would bring double benefits to Canadians in that they would protect the citizens' health, and generate twice the income the tax on gas and heating oil will bring in.

With regard to housing, in his budget, the minister provided for higher subsidies to housing financed by the private sector, and non-profit housing organizations.

Surely the minister is not aware of the position in which he is placing low income individuals, depriving them of privacy and forcing them to live in cramped quarters like sardines. The money would have been better spent on low cost single family dwellings. This way, it might have contributed to the well-being of low income people by giving them some sort of security and a measure of satisfaction as homeowners, with roofs of their own over their heads, and not mere square boxes with cardboard partitions. Moreover, it would have served in creating jobs.

The government might have amended the Bank Act to reduce mortgage rates and favour the construction of single family dwellings, while taking care of the forest industry which has now fallen down to its lowest point ever. Thus, construction workers would have had the best of it, and the number of unemployment insurance and social welfare recipients would have been considerably reduced. This budget favours again the big contractors and people with higher incomes.