

The Budget—Mr. Stanfield

Mr. Stanfield: The fact that we have a big deficit is largely happenstance. The fall-off in revenue occasioned by a sharp slowdown in the economy is an example of the tail wagging the dog, in this case the deficit. The proposed expenditure cuts are only cuts in ministerial estimates and they are counterbalanced by increased LIP grants, tax credits to industry and proposed additional amounts for housing and other items. The expenditures proposed during the current fiscal year in the budget presented on Monday night are every bit as high as the expenditures proposed last November by the minister for the current fiscal year.

[Translation]

It is striking to note that the government, faced with a \$2 billion deficit in spite of the increased tax on gasoline and the increased tax on high personal incomes, chose to boost that deficit to \$3 billion and realize some of the so-called popular projects.

It appears that this tremendous deficit is not due to a tax cut, as is the case with the United States deficit, but that it is caused by an increase in expenditures which the government cannot control, and this fact is associated with decreasing revenues.

[English]

I suggest that some of these things just cannot last. I say that a course of restraint was not chosen by the government, a large deficit was not chosen by the government, and the fiscal stance was not chosen by the government; all these things were forced upon a government which for too long ignored its responsibility and shirked the duties of leadership. Events have finally caught up with a complacent government and a fair-weather finance minister. The actual stance of the Minister of Finance is not a deliberate choice and it is not the result of any leadership; it is simply the result of policies catching up with the minister and slow-growth aggravated difficulties.

What has happened to the consensus program? It died, as did Julius Caesar, following months of subterfuge and secret meetings. One has to assume that it was designed to disappear at some point because it was phony from the start; that is obvious now. It was designed simply as a time-burner, and having served its purpose it is now consigned to oblivion. There was never any education blitz for the so-called consensus program; there was never any effort by the government to rally public opinion behind its consensus program. It was all shroud and secrecy; no details were ever put before the public. That was just prior to the CLC executive meeting. Then what was produced was not even a proposal. The government would not put its name to anything as drastic as a proposal. What a sham!

● (1540)

I understand we will hear from the Prime Minister in the course of this debate. I understood he was going to speak today, but I do not criticize him for taking another week to try to defend this budget. When he speaks, I hope he will take the opportunity to tell us about his own role of vital leadership in this consensus process. Members will recall that the Prime Minister boldly told the House at the outset that he was in charge of the consensus program, but as the weeks and months went by the Prime Minister's

[Mr. Stanfield.]

visibility on the firing line approached and reached zero. The Minister of Finance was left all by himself to make the unconditional surrender. The Prime Minister had long since evacuated himself by helicopter to the picnic grounds.

Some hon. Members: Hear, hear!

Mr. Stanfield: The so-called consensus program was designed simply to consume time, to get the government from budget to budget with the appearance that it was doing something, in the hope that the economy would react quickly, that our own domestic inflation might ease and that time would heal all the wounds. That hope was not fulfilled. Having failed to achieve voluntary controls or consensus, the budget purports to create an atmosphere in the country conducive to the exercise of restraint by Canadians as they carry on negotiating their wage and salary agreements.

The budget purports to set an example of restraint. Actually, the budget contains very little besides rhetoric and confusion. We have, for example, an increase in the price of petroleum put forward by the minister as being in the public interest. This increases prices to the consumer. It tends to increase the cost of living. I think anyone would have to admit it creates a tendency for consumers to ask for higher wages and salaries. I would expect the minister, having considered this tax necessary in the national interest, to offset it to some extent by some kind of tax cut for consumers, if he is really serious in trying to create an atmosphere in the country conducive to restraint.

But what did he do? Far from offering any offset to the consumers, he proposes a ten-cent a gallon tax on gasoline. Some apologists for the government point to that as an example of restraint. Surely that is playing with words, because we had previously been talking about exercising restraint in our demands on the economy, in the government's demands on the economy and in the demands of the workers and the public on the economy. If it is encouraging restraint for the minister to put up the price of gas by ten cents a gallon, and if it is encouraging restraint in Canada by putting up the price of oil, then the OPEC countries are encouraging restraint in Canada by putting up the price of oil. If one follows that logic, any company is encouraging restraint when it puts up the price of its products in Canada, because Canadians with low incomes will not be able to buy those products.

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister placed a tax of ten cents a gallon on gasoline to raise more money. He admits that. He placed a ten cents a gallon tax on gasoline to yield more than the government's proper share of the gross national product; but he will not admit that. On a national accounts basis, the minister is increasing his expenditures by 16 per cent over the last fiscal year, in a year in which zero growth for our economy is predicted. When he is taking so much more than this government's proper share of the gross national product, his budget clearly is inflationary.

The minister says the tax of ten cents a gallon is necessary to pay for the one oil price across the country; that it is necessary to pay for the subsidy to eastern Ontario,