

ter of Transport about public transportation in our area. None.

The constituency I have the honour to represent is largely rural, and residents often have to commute long distances to work. This is particularly the case in Dufferin county where virtually whole subdivisions in Shelburne, Grand Valley and Orangeville commute daily to Brampton and Bramalea or through to Toronto. It is also the situation in other areas where people must drive to work in Owen Sound or Kitchener-Waterloo or Guelph. The effect of this added tax upon the people of my area who have been forced by the failure of the government's housing policies to move many miles from the city because they can no longer afford to live near their work will be disastrous. They are the ones who will have to pay for the government's lack of self-restraint.

The Minister of Finance has pretended that the purpose of his budget was to deal with the recession and with inflation. It must be obvious to anyone who reads it that instead of presenting solutions to the economic problem, the budget is really designed to find new revenues for the government, the minister having so drastically misjudged the nation's economic health when he committed us to massive spending programs in previous budgets. Big spenders like the Minister of Finance manage fine when the economy is growing rapidly; the increased tax revenues derived from large profits and high incomes cover the cost of the expensive programs he and his colleagues have introduced. But when the economy goes into recession, when profits are low and individual incomes begin to fall as hundreds of thousands of Canadians are put out of work, the cost of social programs such as unemployment insurance, manpower retraining, pension supplements and welfare increase dramatically.

This is the box in which the Minister of Finance found himself as he prepared his budget. The inflation his government had helped to create was driving up the cost of government programs. Many people who were suffering from the recession were making claims upon the national treasury, and there was a shortfall in tax revenues because profits were falling and many unemployed people were in a lower income bracket. Thus, on the night of June 23 the country was faced with the sorry spectacle of the Minister of Finance announcing that he was trimming expenditures by \$1 billion at the same time as the budget was being increased by about \$2 billion over last year's. This he described as proof of the government's determination to show restraint.

The leader of the Liberal Party in Ontario was quick to grasp the effect the federal government's budget would have on Ontario. This man, who about two weeks earlier had hosted the Prime Minister's flying circus at his farm, stated that the federal Liberals had not asked for his advice about the budget, adding that as far as he knew, there really wasn't much of an association between the federal and provincial Liberal parties. I was intrigued to see that the day after the provincial mini-budget was brought down all the government members were wearing red carnations in their lapels to commemorate the election a year ago. I could not confirm the rumour that Mr. Nixon, in Toronto, was wearing a forget-me-not in his lapel that day.

#### *Excise Tax Act*

Last Monday's Ontario mini-budget was designed to offset the worst effects of the federal budget upon a province which is suffering disproportionately from the current recession and which will be worst hit by the present proposals of the Minister of Finance. It is worth while considering what federal mismanagement of the economy will do to my province because it is Ontario more than any other jurisdiction which has borne the financial costs of confederation.

It is often popular, not only in the House of Commons but in various parts of Canada to bad-mouth the political and economical contributions my province has made. But I think if one were to look up the record it would become clear that Ontario members of parliament speak less to ask for special concessions or to defend their province than do members representing other provinces. It is about time some acknowledgment was made of the enormous benefits which have been given gladly by Ontarians to the rest of Canada for the last 100 years. It is Ontario, with its manufacturing economy based on secondary industry, which has suffered most from the government's recession. It is our unemployment rate which has increased faster than that of any other jurisdiction.

● (1740)

Even before the June 23 budget, the unemployment rate for Ontario was projected to be 5.6 per cent for this year. The Turner budget can be expected to increase unemployment to 6.1 per cent. Before the budget, our gross provincial product was expected to grow by .7 per cent. Now that figure has been reduced to less than half; the new projection is .3 per cent.

**Mr. Andras:** Who by, Darcy McKeough?

**Mr. Beatty:** Yes, Darcy McKeough. I am intrigued that the Minister of Manpower and Immigration (Mr. Andras) has now entered the arena, because he and his colleagues in the Liberal Party will have an opportunity very soon, as will my hon. friend from Nickel Belt, to explain the positions of their respective parties to the voters of Ontario and to see what the verdict of the people of Ontario is respecting the actions of the provincial and federal governments. I think later this fall, after the provincial election, the Minister of Manpower and Immigration will have some cause for reflection on the activities of his colleagues and himself at the federal level.

According to the provincial ministry of treasury, economics and intergovernmental affairs, the federal policies of the June budget indicate an additional annual drain from the Ontario economy of \$740 million. The effects on Ontario of both the 1974 and 1975 price increases will result in Ontario consumers paying almost \$1.5 billion more for their energy needs in a full year.

In a practical sense, as the provincial minister of energy has suggested, the proposals in the federal finance minister's budget to increase the price of petroleum in August by five cents a gallon, and to add a ten cents excise tax to the price of gasoline at the pumps, is immediately tantamount to trying to nickel-and-dime Ontario consumers to the death. The citizens of Ontario are quite prepared to accept a slight increase in the cost of gasoline if it can be shown that an increase in the price is necessary to find