

*Excise Tax Act*

imposed a 7 per cent tax on heating oil. They will remember that the backbenchers on the government side in the Ontario legislature rose up almost to a man and said that this tax is not good for our people, it should not be put on, and that this is not the time to put on that kind of tax. As a result, the government of Ontario, the cabinet, the premier, and the minister who imposed the tax, thought about it and had the courage to back off because they agreed finally that the time was not right to put on the tax. Now we have the Government of Canada, the federal Minister of Finance, and the Prime Minister (Mr. Trudeau) putting on a 10 cents tax on gasoline, and not one backbencher here has the courage to rise and say that this tax is not good. I know that their constituents are not happy with the tax. I am confident that there is not a member over there who has not received a letter saying that this tax should not be imposed.

**Mr. Herbert:** Don't include me because that is not true in my case.

**Mr. Ellis:** I am confident that these people have not agreed to it. The provincial minister of finance says that Ontarians will not agree to this. The provinces paid the bill for a long time, and enough is enough, and too much is too much. I support the freeze in Ontario as the only course of action open. It would not be necessary if the cabinet had the courage to face up to what is obviously an error, and take the tax off.

The Minister of Finance also quoted the minister of energy for the province of Ontario, and I should like to read that quotation which appears at page 7412 of *Hansard* and is part of the speech of the Minister of Finance on the Excise Tax Act. This is what the provincial minister of energy said:

It must be increasingly apparent to all of us that energy is too rare, costly and precious—waste. I will go further: I hold the view that if as a world community—particularly the industrialized world—we fail to adjust our use of energy and accept the shift in our lifestyle that may be implicit, within a decade or two changes in lifestyle will be irresistibly imposed upon us. And those changes may be ones that we like less than the alternative that is still our option.

● (2010)

The federal Minister of Finances justifies this as a reason for imposing this tax and increasing the cost. I suggest that it might justify some savings, but it does not justify imposing a tax.

I have driven down highway 401, as I am sure have many hon. members, at the legal limit of 70 miles per hour, and I have been passed by federal vehicles as though I were standing still, despite the rhetoric which we hear. I read the advertisements by the federal government to the effect that it is saving energy by turning out lights in buildings. There are more buildings which are federally owned or controlled which have their lights on all night in the city of Ottawa than one could shake a stick at. In the next few days I will list them for hon. members. The Ontario government, however, is forcing cutbacks in Ontario Hydro and in other areas.

If I may change the subject slightly, the administration of this tax has to be a nightmare. We do not know if we will ever receive rebates. Eventually, I expect we will, but—

**Mr. Foster:** Call off the filibuster.

**Mr. Ellis:** There is an expression that we huckleberries in Hastings county use to answer that kind of remark, but I would not dare use it in this House. What is happening is that we are being led down the garden path and told that, unless we pass this bill, we cannot receive the rebates. I suggest that if this bill were passed tonight there would not be a rebate for the next three months because the administration is not ready. The paper work is not ready, and we know that this government runs on paper. The government will not be ready for three months whether we pass the bill tonight or not.

One of the things which was promised in the budget was a cutback in the civil service. That cutback turns out to be a cutback in the projected expansion of the civil service. Actually it is to be cut down to about 10,000 plus man-years in the coming fiscal period. Comparing ourselves with the province of Ontario, we find that Ontario is actually cutting back on its civil service.

The minister was wrong in November when he brought down his budget, and he is wrong now. For example, in November the minister imposed a special tax on light aircraft. At that time he made the incorrect statement that this would save fuel. After serious pressure from all members on this side he backed off some, but not all. In the past few months I know that he has been given all the statistics he needs to prove that that particular use of energy is far more efficient than the average motor car. I personally believe that the minister falsely thought that he was taxing the rich, and he thought that this was a popular thing to do. He has found out since that in actual fact many businessmen in the middle income group use this form of transportation because it is fast and flexible. They need that flexibility, and in fact the minister was not taxing the rich as he thought he was.

Not only will this increase in tax fuel the fires of inflation, but it will hurt the population of all Canada in many other ways. It is becoming difficult to buy a house. For someone who has to drive 100 miles per day that 10 cents per gallon added up will make the difference in whether he can save the money to buy a house, as housing costs increase. With regard to the figures which we hear the Minister of State for Urban Affairs (Mr. Danson) batting around of 180,000, 200,000, or 210,000 starts this year, I do not think he really knows which is correct, and I am not sure he cares as much as he should.

I know that in my riding there is a plant which makes telephone equipment, Northern Electric, and because housing starts are down, that company has laid off 350 or 400 people. It just does not have enough business. I suggest to the minister that these people are less able now to pay that extra 10 cents tax on gasoline than they were when they were working, and they are wondering whether this government, in not keeping the housing industry going, is in large measure responsible.

In the excise tax bill it is proposed that the government will remove the tax on insulating products, storm windows, and screens. How long have we on this side of the House said that the tax on building materials should be removed, period? All that is happening with this tinkering and playing around with little bits and pieces is that the