

*Excise Tax Act*

nessman, charitable organizations, and so on, that kind of checking will not be much more difficult than having a voucher system.

● (1620)

These administrative problems are not my first choice. I do not like exemptions of any kind. Exemptions create enormous difficulties and unfairness. They also open the way to all kinds of underhand dealings. This also applies to the coupon scheme I was suggesting. Certainly that would not be the first way I would want to go. As bad as it may be, I suggest it would be infinitely preferable to rationing by price, which does not take into account any of the considerations of energy. Why should the poor man pay as much as the rich man, particularly when the rich man can find ways of avoiding this kind of tax?

The minister could have accomplished a number of objectives if he had imposed a very substantial surtax on incomes beyond a certain level. In replies in this House and in speeches outside the House the minister has complained bitterly about some people using their bargaining power in the marketplace to take advantage of the situation, increasing their real income beyond that of others. The minister tried to find an answer. He tried to develop a consensus policy to deal with this problem. It did not work. Consensus just was not there. It was obvious that voluntary restraints and voluntary programs were not going to work.

I do not know whether it is the Minister of Finance or the government which will not bring in an incomes policy. I do not mean just a wage policy but one that takes into account all forms of income. The government says there is no consensus in this country for such a policy. Perhaps there is not as that kind of policy obviously needs a wide consensus to be effective. If the minister was not able to do those things, the very least he should have done was impose a surtax on incomes above a certain figure. Those who have gained extraordinarily from their bargaining power would have repaid a lot of it in income tax. That is what the minister and the government should have done. That money could have been used to compensate for any equalization program we need for gasoline.

I think it is probably desirable to bring in a gasoline tax at some point, provided it is coupled with something to remove the regressive nature of the tax. All sales taxes, by their performance, have to be regressive because they apply equally, regardless of one's ability to pay. However, there are ways of removing their regressive nature. One way is to introduce a tax credit system whereby people with certain incomes will get rebates, either on their income tax or on a cash basis, to compensate for the effects of the tax. That would make sales taxes effective and equitable. However, this was not done. All we got was a regressive tax imposed in the name of conservation. It will have no effect whatsoever on conservation. It will constitute an enormous burden on the poor and a grievance on the part of every Canadian who has no way out of it.

The public might have been able to accept this tax as necessary if it felt it was going for some constructive purpose. I have referred to the Ontario argument. They accept the fact that we have to pay more for oil and gasoline in order to assure an energy supply in the future.

[Mr. Saltzman.]

The public is prepared to bear taxes and even to accept some regressiveness if they see that the money is going directly to improve their future prospects for energy. Instead, however, much of the revenue being raised will be given to the private corporations in the energy field, with no guarantee that more exploration will be carried out, that it will be of the kind we want and that the future energy needs of this country will be met.

If we are going to spend this kind of money to invest in our future, why do we have so little faith in the corporation that is set up and able to do this? Why not do that and explore according to our own needs? We did an admirable job in hydro and we have done a good job in other areas. I do not know why the Minister of Finance will not do this. It is certainly not because he is a socialist. Sometimes I wish he had a little more socialism in him than he has shown.

If you said to a businessman, "We have the money, but instead of investing in it ourselves, taking the equity and getting some guarantees on our priorities, we have given it to some other guy with no strings attached and told him to go out and use it", he would say, "You are crazy. That is a terrible business deal." You would have to be an economic ignoramus to do that. But that is exactly what the government is doing. They are taking this inequitable tax, which is a terrible burden on this country, and giving it to the corporations which will not guarantee future energy supplies for this country. These corporations are saying to the government that unless it is very, very generous they will not co-operate. Who the hell needs them? Do they have such a hold on knowledge that if they walk out of this country nothing will get done? What is the justification? Private enterprise gambles its own money; it does not gamble the public's money without even providing a guarantee.

Taken all together, one has to ask why in the world there would be any support on the part of the public for this kind of a budget. Why in the world should people pay taxes in an unfair way in order to fatten the profit sheets of corporations which are not responsive to the national need? In the other budgets I have seen over the years there was always something which one could say was good. Indeed, I recall an occasion on which the Minister of Finance quoted to members of my party some of the things I had said favourable to the budget he had brought in. But there is nothing about the present budget which contains any redeeming quality whatsoever.

● (1630)

**Mr. Stan Darling (Parry Sound-Muskoka):** Mr. Speaker, I should like to begin by reminding the Minister of Finance (Mr. Turner) that this was a very important day in history a great many years ago. I can see him thinking. It was Bastille day. He will recall that 186 years ago the poor people of Paris revolted against the king and the aristocracy on this date. Before I came to the House this afternoon, I looked out over the lawns in front of the parliament buildings to see whether there was a great demonstration against this iniquitous ten cents tax; I wondered whether the minister's beautiful premises in the west block had been invaded by an angry crowd. Probably not. But it would not have surprised me, because since I came here in 1972, in that brief period there have been