

Excise Tax Act

Mr. Stanfield:—but they have no idea how many Canadians drive long distances to work every day, partly because there is a housing problem which the government helped to create.

Many Canadians travel great distances to work every day. The Minister of Finance told us that workers in European countries join car pools. What does he think working people in this country do? Every morning on the roads of Nova Scotia one can see several people in one car driving to work. They join car pools. True, some people can afford not to do this, but even before the price rose it was not unusual to see four or five people in a car on the way to work. Sometimes workers will switch cars from week to week, or pay the fellow who is driving them. How can the minister pretend that the people of this country can choose, that there is something optional about personal travel? For some there is this option, but it does not exist for many others. The tax is bound to create enormous resentment.

Speaking as a maritimer I am very unhappy to think that people who are driving to work, in Ontario, in the west, and elsewhere, will pay ten cents a gallon tax not only toward keeping the price of gasoline down in eastern Canada but also toward keeping down the price of oil used by industry and homes. It is important for the price to be kept down, but the method chosen is objectionable. In addition, this method will generate enormous resentment.

The answer is that the minister should make real savings on expenditure. We do not need the sort of pretence indulged in recently by the President of the Treasury Board (Mr. Chrétien). I say, Sir, that the government spills more than this tax will raise. The minister chides opposition members for always suggesting increased expenditures. I challenge him to cast his mind back to little over one year ago, to the election campaign, and contrast the responsible attitude we, as an opposition party, took to increased government expenditures with what he and the Prime Minister (Mr. Trudeau) said during that campaign.

There is no need to speak on the matter any longer. The proposal is a mess. It will be an administrative monstrosity. It will be enormously costly to administer; it is unfair; and, above all, it is inflationary and completely inconsistent with the alleged thrust of the budget. Therefore I move, seconded by the hon. member for Peace River (Mr. Baldwin):

That Bill C-66 be not now read the second time but that it be read a second time this day six months hence.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Give us a good speech, Ed.

Mr. Broadbent: I thank the minister for applauding, Mr. Speaker. Perhaps he will change his mind after he listens to what I must say.

I wish to lend the support of the New Democratic Party to the motion just moved by the Leader of the Opposition (Mr. Stanfield).

[Mr. Broadbent.]

Most ministers of the western world presiding over economies similar to ours which are suffering from what has come to be known as stagflation must choose between doing that which will increase inflation and that which will increase unemployment. Those are the two options open to any minister of finance. Yet the Canadian finance minister is alone in that he has just introduced a budget which will bring both effects simultaneously.

As I said previously, a mad genius is at work in the ministry of finance. The budget will increase unemployment and inflation simultaneously. I am sure studies done by the minister's officials show this. If he possesses such studies, as I suspect, it would be interesting to see them tabled, for they would show that the proposals to increase natural gas and oil prices and impose the special excise tax we are now debating will increase unemployment and inflation at the same time.

● (1650)

The measures arising out of this budget will cause a two point increase in the consumer price index. They will cause unemployment in Canada to increase by half a percentage point. Finally, they will cause a reduction by one percentage point in the growth rate of our economy in this year. Surely no more damaging comment than that could be made about a budget brought before any country at this time.

I listened with great care when the minister spoke today. I listened to him during his budget address. He did not deny any of these points. Nowhere did he deny that the net effect of his proposals will be negative on all economic fronts.

I want to list the cumulative effect on the average family as a result of the regressive tax proposals brought forward in the budget, as frequently as not in a disguised form. I then want to deal at greater length with the ten cents excise tax.

What is the effect of the minister's proposals on the average man or woman? We have calculated that the unemployment insurance changes which the minister is going to have us debate before very long, and which will take up a good part of the summer and maybe a good part of the fall as well, are a disguised tax for the average person. They amount to some \$10 a year. Added to that is the effect of this gasoline tax of ten cents per gallon which we are talking about today.

Assume that the average motorist travels about 15,000 miles a year and gets approximately 20 miles per gallon, which is very optimistic indeed these days. There is an additional increase for the average man or woman of between \$75 and \$90 per year.

Then there is the effect of the price increase that the minister has permitted the oil companies to charge on the price per barrel of oil. This will result in an extra charge to the average motorist of \$35 to \$40 a year.

Finally there is the increased cost of heating one's home as the result of the oil price increase. We have calculated that the net effect will be \$60 per year a home. If we add together the excise tax, the disguised tax on unemployment insurance, the increase in the per gallon price for driving a car, plus the increase in heating oil for the home,