

*Excise Tax Act*

With respect to gasoline, the revenue between what would be received from the 1.3 per cent a litre Petrofina tax is approximately the same as the revenue from the 2 cent a litre tax on motor fuels.

While I am also very concerned that our gasoline prices are considerably higher than those in the United States as a result of this tax on motor fuels, I would rather have the tax on motor fuels than on home-heating oil. I am sure the Hon. Member will appreciate that, coming as he does from a constituency where many people are required to use home-heating oil to heat their homes. The amount of revenue collected from this tax is the same as what would have been collected with the Canadian ownership special charge. While it obviously increases the cost for those who drive vehicles, it reduces the cost for those who use home-heating oil. Perhaps he will agree that the effect is awash in the economy, even though the total burden of tax is regressive.

● (1210)

**Mr. Parry:** Mr. Speaker, I thank the Hon. Member for that comment. I think the elimination of the tax on home heating fuel is a sound measure. But it is worth saying that, by and large, the home heating oil tax has affected people at the lower end of the income scale even more than does taxation on gasoline.

I would like to thank the Hon. Member for his understanding of the way in which the tax on gasoline used for motor vehicles impacts on people who live in the more remote areas. Gasoline which they purchase has already been subjected to "up charges" because of the transportation distance for the refinery. The distances people must drive in remote areas tend to be greater than the distances people in major centres have to drive for whatever cause or reason. I see more higher mileage vehicles throughout my riding than I do around the City of Ottawa.

We ought to bear in mind, and it is worth having on the record, that that tax is one that tends to fall disproportionately on people who live in remote areas.

**Mr. Morrissey Johnson (Bonavista-Trinity-Conception):** Mr. Speaker, I rise to support Bill C-80, not because I think it is a fantastic piece of legislation but because I think it is necessary and that it is a fair Bill which will help to bring our staggering deficit under control.

The Bill before us to amend the Excise Tax Act and the Excise Act will raise badly needed revenues from the commodity tax system, badly needed revenues which will assist the Government in achieving its goals of economic renewal and sustained economic growth.

While it would surely be easier, Mr. Speaker, for the Government to avoid such difficult measures as tax increases, uncontrolled increases in the deficit and debt would not only hamper economic growth but would jeopardize Government programs and services which people require.

Hon. Members from the opposition Parties who have spoken on Bill C-80 so far oppose the responsible action the Govern-

ment is taking in this Bill, despite the fact that the interest on the deficit is fully one-third of total spending and that debt charges threaten social programs targeted at the needy.

Controlling the deficit is a condition of assisting the needy. This is a fact which should motivate all Hon. Members in this Chamber to give their full support to this Bill and to ensure its speedy passage through the House.

As the Minister of State for Finance (Mrs. McDougall) and my other colleagues outlined in debate last week, Bill C-80 concentrates on controlling the national debt through a number of revenue raising measures. Substantial new revenues will be raised by broadening the base of federal taxes and increasing rates of tax.

None of us like tax increases, Mr. Speaker. However, putting people back to work is going to require sacrifices and hard work by all of us. I believe Canadians are willing to give a little to help those who are less fortunate. It is important to consider this Bill in a broader context in relation to other measures which the Government has also taken. The Government has balanced these increases in taxes with a reduction in its expenditures. Measures have been introduced to increase private initiative and investment in the country's economy. Civility has been restored to federal-provincial relations. The Western Accord is presently contributing to economic renewal in that part of the country after its economy had been devastated by the former Government's national energy policy.

In my own Province of Newfoundland, after a decade of long battle with the former Government over control of our province's offshore resources, the Government has fulfilled its election promise and brought an early agreement after just five months in office.

The Atlantic Accord is a shining example of what can be achieved when a spirit of co-operation and fairness exists between two Governments. Just as the Atlantic Accord will help to achieve economic prosperity for Newfoundlanders, the measures in Bill C-80 will assist in creating economic growth throughout the country.

Some Hon. Members have stated that this Bill will have a dampening effect on the economy. It is well known that since 1984, 305,000 new jobs have been created and that today's rate of unemployment is the lowest it has been in three years. It is not low enough by any means, but our Government will continue its successful efforts in order to keep this decline continuing in the jobless rate. As well, interests have fallen since the Government was elected a year ago and are at the lowest level in seven years.

A recent Statistics Canada survey found that business investment intentions for 1985 are up 12 per cent over last year's level. This increased capital spending will create jobs, of that there is no doubt. Inflation remains steady. At 4 per cent it is at its lowest rate since October 1971.

After only a little over a year in office, the policies of the Government have brought about these positive results. I am amazed that opposition Members, which saw the deficit go from \$17 billion to \$200 billion while the former Government