

Excise Tax Act

ing measures to aid the beleaguered commuter in our society, it turns around and slaps a ten-cent a gallon tax on everyone who has to drive a car or a truck either for work or for pleasure. This is a government that is purely cynical when it makes promises. I hope the Canadian electorate remember those promises when they go to the polls in 1978.

Let us look at the provincial governments. Of course, I am most familiar with the government of Ontario. That government is not much better. When we look at their attempts to assist in developing public transit in this country, we see that their policy is also a mess. The government of Ontario—a Conservative government—is content to spend millions of dollars on a so-called magnetic levitation, modern transportation system experimental study in Toronto. The project has fallen through. After spending millions of dollars it proved to be impractical. After years of delay there are no new public transit options open for commuters in the province of Ontario. They have to rely on the car. They, of course, will be hit by the gasoline tax both in the province and the tax this federal government has imposed. It is interesting to note that the Ontario Motor League conducted a study in 1974 which showed that the Ontario motorist is paying 120 per cent of the total cost of highways in Ontario.

● (1610)

In this bill the Liberal government is imposing an additional tax on the Ontario motorist of ten cents a gallon on gasoline consumed. This hits everyone in the province, but it hits the people in northern Ontario more than those in southern Ontario since we in the north have to pay higher gasoline prices. The price of a gallon of regular gasoline in northern Ontario ranges from 75 cents to 85 cents a gallon so, as I say, we are hit even worse by this kind of measure.

When the ten cents a gallon federal tax is added to the 19 cents a gallon provincial tax, it represents a really unjustifiable burden on the drivers of automobiles. I should like to give the House an example, Mr. Speaker, of what it will cost to drive a car in Ontario. Before the imposition of this tax as announced in the finance minister's budget of June 23, the Ontario motorist had to pay a provincial gasoline tax of 19 cents a gallon. If a motorist drives a car 10,000 miles a year and gets 20 miles per gallon, he consumes, on a yearly average, 500 gallons of gasoline. Before the budget this would have cost him \$95 a year in provincial gasoline tax. When we add the ten cents a gallon federal tax to that, he pays \$145 a year—an increase of 53 per cent.

If that is not discrimination, Mr. Speaker, if it is not fighting the attempts of the ordinary people to jump ahead of the inflation rate in this country, then I do not know what is. Take as another example the motorist with a large family who has to drive around in a station wagon. Say he drives 15,000 miles a year and gets only 15 miles per gallon. Before the budget he had to pay \$190 provincial gasoline taxes in the province of Ontario; he is now going to pay \$290 a year—an increase of \$100.

What does the government mean when it says it is seriously trying to combat inflation? Can any Liberal backbencher, or the minister himself explain to me how this measure, which hits the bulk of the consumers of this

country who are in the low and middle income brackets, in any significant way fights inflation and reduces the problems of the ordinary working people in meeting the rising cost of living? The case just cannot be made and the Liberals know it. They hope that this House will adjourn soon so they will not have to stand up to the kind of criticism that we are putting forward on behalf of the Canadian people.

What are the other lacklustre arguments that the Liberals make in order to justify this increase in gasoline tax? They tell us that we should be grateful, because in Europe people are paying \$1 a gallon or \$1.25 a gallon. I say, what a ridiculous comparison. How can you compare countries in Europe which do not have any indigenous oil supplies with a country like Canada, one of the most oil-rich countries in the world, sitting on a reserve called the Athabasca tar sands that contains more oil than all the oil in the Middle East? To tell Canadians that they should be content to pay 70 cents or 80 cents a gallon is ludicrous.

The reason the government is saying this is the lack of an energy policy, which has enabled the multinational oil companies which control 90 per cent of the oil industry of this country to jack Canadian prices up to world prices, despite the fact that we are one of the most oil-rich countries of the world. Years of mismanagement by the Liberal government have now forced Canadian consumers to pay one of the highest prices for oil and gasoline in North America. This is a nonsense kind of comparison that is not worthy of further counter-argument.

The minister has put forward another argument. He tells us that we are consuming too much energy in this country, that our oil supplies are running tight. Of course they are running tight, because the government allows the multinational oil companies to export half of our daily production of oil, and has done for the past few years. We are now running short, so the minister says we must conserve our energy supplies. What kind of logic is this? A few years ago, specifically in early 1973, oil was selling in this country for \$2.90 a gallon. Today the price is \$6.50 a gallon, and by August 15 it will cost \$8 a gallon. The price has escalated tremendously. Has there been a reduction in oil consumption in this country? Not in the least. Demand has risen yearly despite the fact that the price of oil has gone up.

The fact of the matter is that, given no options, Canadians still have to consume energy. They still have to heat their homes in the wintertime by oil or natural gas, despite the fact that oil prices and gas prices will go up. If they have no option but to drive their cars to work, then they have to pay higher prices for gasoline. The argument that an extra ten cents a gallon will somehow reduce gasoline consumption in this country is totally false. The minister should not try to fudge the issue by bringing forth the argument of conservation so as to justify this horrendous ten cents a gallon tax.

I now come to the real reason for this increase, Mr. Speaker, which is that the Minister of Finance is desperately searching for extra revenue. He needs money to compensate eastern Canada for the higher price of world oil which we are importing because Canada does not have a pipeline from western Canada which would bring \$6.50 a barrel oil to the maritimes and Quebec. As we have found