

*Excise Tax Act*

**Mr. Coates:** That is right; around and around we go. Every time we pick up the paper we notice that inflation has risen. It was up 1.5 per cent last month. We might wonder what it will be next month when we are not only forced to contend with normal inflation but will have the additional ten cents a gallon on gasoline and can look forward to still more taxes on gasoline and home heating fuel this winter. We may be faced with a cost of living equal to that in the United Kingdom where at the present time a Labour government has had to tear up its past taxes and impose something my party during the last election campaign proposed should be imposed, which is the only way to face the problem we now have which has been brought about by this government.

**An hon. Member:** You really sold the country.

**Mr. Coates:** We did not sell the country, but I tell you right now that if you went to the country you would not sell it either. As a matter of fact, if you went to the country with this budget you would come back with a corporal's guard, and you would be lucky if you had that.

What is so sad and unrealistic in so far as this government is concerned is that it has produced more of what we are trying to overcome, which is inflation and unemployment. What really concerns me is that while some of the bright people over there hope they can get on the backs of the United States as it is pulling out of its recession, and therefore pull out of the recession in this country—which is not evident at the moment even if one reads the kind of nice things that are written by some of the starry-eyed economists in this nation—with this kind of budget we are guaranteeing that we will be in this recession for a longer period than would have been the case if this government had done nothing, which has been the case since July 8, 1974. What was needed was anything but this budget. It is unfortunate that the Minister of Finance could not have taken another of his trips around the world, instead of dropping in here and presenting this budget which will cause more inflation and more unemployment than we have at the present time.

I listened to the hon. member for Cape Breton-The Sydneys (Mr. Muir) today in this House talk about the kind of unemployment experienced in his constituency, where almost one-quarter of the work force of the Sydney steel plant is now laid off, where Campbell Motor Industries have announced the closure of their plant, and where not too many months ago 1,000 employees were out of work when an instrument plant closed down. I can understand the position of that member when he says we are in the midst of a Liberal depression.

No matter what one might call it, that is the situation at the present time in my constituency. It really is not necessary for me to listen to that hon. member to understand what is happening in my constituency. In my constituency, a plant which has had good labour relations with its employees for 125 years, and had never had a strike, now is faced with a strike because the employees cannot make up their minds about what would be a reasonable contract because of the spiralling inflation with which they are saddled through the inaction of this government. The company also cannot make up its mind about what it can afford to pay, because of the same fear. So now a strike is

in existence at a company which for 125 years never had one, and there is every indication it will be a long strike because the company is offering in the order of 30 per cent over a two-year contract while the employees are seeking 70 per cent. That is an indication of how seriously they view inflation.

This is also an indication of the effect inflation has on long-term contracts and the erosion of the dollar. There is a relatively new and very successful company in my riding called Areovox which has had to lay off all its employees for one month. The company was completely shut down. There is another company, one of the most reliable companies in this nation, Northern Electric, which in my constituency has had to cut back on work and reduce the number of employees as much as possible. I do not have to tell you what has happened to those two companies. There were substantial lay-offs in both of them, due to the Minister of Finance.

● (1710)

**Mr. Alexander:** I wonder if he knows all this.

**Mr. Coates:** There is another one in Springhill, a community that has had enough tough luck without being saddled with these kinds of financial policies produced by this government. I am referring to Buckingham Mills. Fortunately, we have a very aggressive Minister of Regional Economic Expansion (Mr. Jamieson) who is doing his level best to put another company into operation in that plant, and I hope he succeeds. But in the town of Springhill right now we are back to having very few industries. The only thing we have is a penal institution that was put there by the previous administration. It was a godsend so far as the economic viability of the town was concerned, but at the same time, because of the present Solicitor General (Mr. Allmand), we are never sure whether we will have more inmates in the institution or outside, roaming around.

It is pretty tough living in the maritimes at any time, and especially tough when you have a government which does everything it possibly can to see that there are more people on the unemployment and welfare rolls than there are in the factories in the area, working and contributing to the benefit of this nation. At the same time, this government, if it wanted to, could put in place policies that would be of material benefit not just to the area but to the nation. A former minister of finance, Walter Gordon, produced a great study of our area and suggested that people should be put into cars—I am not sure whether he suggested they should be put into boxcars—bought one-way tickets, and sent out. The sad part is that right now, if people go to find work and have to get one-way tickets, I am not sure they will know where to go because the situation in this nation is pretty tough no matter where you look, and it is not getting any better. There is certainly nothing in this ten cents a gallon excise tax on gasoline to improve the situation.

**Some hon. Members:** Hear, hear!

**Mr. Coates:** I do not know what we can do. We are saddled with this government for another three years and we cannot do very much about it. They act like potentates.