

*The Budget—Mr. Malone*

Canada and to promote greater economies in the consumption of these scarce resources.

If ever there was an example of a minister in conflict with himself, it certainly must be obvious in those words. For once having stated that he was fully conscious of the short-term adverse effects of sharp increase in price, he went on to ignore his own position and announced an increase on gasoline by 10 cents per gallon in the form of an excise tax. What was more important was that not one single penny of the collected tax will be ear-tagged to assist in increasing the search for supply.

One thing we know for certain, and that is either the premise or the conclusion is absolutely wrong. If those are the judgments the minister makes while fully conscious, then there ought to be some skepticism as to whether he fully understands the difference between the state of consciousness and being in a state of coma.

To assume that increasing the price by 10 cents per gallon through an excise tax would assist in preserving petroleum resource was mere guess work. The fact is that on the first day of questioning following the budget speech the minister conceded he did not know whether or not there would be any conservation of fuel as the result of the increase in price. It may well be that the minister has simply transferred the burden of the federal government's responsibilities on to the backs of a selected few automobile operators. With all those exemptions for commercial use, I challenge that the government has even a studied opinion as to how much of the gasoline used in Canada will be subject to the excise tax.

The opportunities for abuses are considerable. The need for an administrative supervisory body is extensive. I challenge the minister to clarify immediately, for all members of parliament and the nation in particular, what net gains he anticipates when the administrative costs are deducted. A failure to respond to that question simply implies that the government has made a hasty, rash, harsh and cruel decision without any knowledge of what the net gain might be.

Truly, the imposition of the 10-cent excise tax on a selected group of Canadian automobile operators must make a farce of the words the minister used in his opening paragraph:

But it also must be a human document.

The minister also told us:

Economics is too important to be left to economists.

A more correct statement might well have been that economics is too important to be left to Liberal spenders. What more dramatic example do we need than to point to the fact that government spending has increased 99.5 per cent since the present minister took office only 40 months ago? The fact that the cost of living has increased by 32.6 per cent in that same period certainly is ample justification now to demand that this government get off of the backs of Canadians.

Instead, however, what the government has chosen to do is to up the price of gasoline with an excise tax, to shift the burden of responsibility for health care from the federal government to the provinces, to shift the burden of unemployment insurance from the government to the workers and the employers, and it has refused to offer a

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meaningful stimulus to housing in Canada but claims to be cutting government spending while at the same time increasing it considerably. Obviously one is compelled to ask, "Is that a human document"? If that is the perspective of this government, then truly it envisions a harsh concept of humanity. I would have thought that humanity might have implied a more emphatic concern and willingness to accept responsibilities rather than simply to shift them from the federal level to the backs of the Canadian people.

Let us take a look at some other true identification of Canadian problems and irresponsible solutions thereto. The minister has stated, as reported on page 7022 of *Hansard*:

Residential construction has been the major domestic source of weakness in the economy.

There can be no doubt of that fact. He went on, however, to shrug his shoulders and excuse himself from a responsible solution. The minister claimed, as reported on page 7022 of *Hansard*, that:

The sharp decline in U.S. residential construction which provides the most important single market for Canadian lumber has severely curtailed the demand for exports of wood products.

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Can the minister truly take such a position when in fact the number of housing starts in Canada in 1975 has been approximately one half that of the previous year? Canada is presently suffering one of the worst years for housing construction in recent history. The \$200 million offered to CMHC will be little stimulus to the housing construction industry. Moreover, it is discrimination in that it affects only a portion of the Canadian population.

One certainly needs to challenge why the government did not take into account considerations to reduce the mortgage rates on homes. At the present rate of 11 3/4 per cent mortgages, a \$30,000 home across 20 years would cost \$76,646. However, if the federal government could have ensured a lower mortgage rate, say of 8 per cent, that same house across the same time frame would have cost only \$59,642. That difference in mortgage rate would represent a savings to the home owner of \$17,000. In turn such a tremendous saving would have been a stimulus not only to the housing industry but would have greatly enhanced employment opportunities by creating a tremendous stimulus throughout the whole construction community.

Or, on the other hand, why was it that the government did not choose to remove completely the 5 per cent tax on building materials? In doing so it would have been in a position to wipe out a whole bureaucracy at the same time. Unfortunately every time the government chooses to save money it has to establish a bureaucratic agency to administer the savings and, as a result, use the savings to pay the bureaucracy. One of the roles of the federal government ought to be to envision the complicated and make it simple; this government has the unique ability of observing the simple and prescribing the complicated. The Liberal philosophy is that there is nothing so simple in the Canadian way of life that cannot become more governed, more controlled, or more bureaucratically operated.

The \$200 million offering is like spitting on a forest fire. The cost of housing in this country has risen so dramati-