

Income Tax

measure pushed through the House of Commons to which it feels there will be serious opposition, it attaches that measure to some other more attractive proposals in an endeavour to ensure that support for those measures will outweigh opposition to the objectionable ones.

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That is precisely what has happened with this measure to increase the government's borrowing authority. It is objectionable to most members of this House, yet it has been placed in the same bill with certain other, long delayed provisions which industry and business have been promised since March 31, along with tax cuts for low income earners. The government hopes this will ensure the passage of the entire legislation.

I need not refer to the fact that we on this side of the House are dismayed by what the government has attempted to do regarding income tax amendments. My colleagues have pointed out very eloquently the shortcomings of the government in many areas over the last few days. Yet I am compelled to refer to some areas where I feel the government has failed Canadians. The sad thing is that so much could be done to effect solutions to our national problems, yet so little has been done.

In reply to questions concerning our economy, government spokesmen have stated there is a serious unemployment situation, a high rate of inflation and many other problems. They stated there is little the government can do. Also, we have been advised that possibly things will become worse before getting better. Yet members of the government criticize the opposition for not making constructive suggestions on how to deal with these problems. A great many important proposals have been made by the official opposition. We believe there are many areas where improvements can be made for our economy, but the government would rather muddle along than accept and implement the proposals made from this side of the House.

I should like to deal with something which would have a beneficial effect upon the needs of Canadians, would increase their purchasing power, would inspire confidence and promote consumption. I am referring to the transportation system. Two years ago last July we debated a measure to increase the excise tax on a gallon of gasoline by ten cents. At that time we pointed out that a hardship would be imposed upon Canadians during a time of high inflation.

Many members felt that the provision would not save even a gallon of gasoline but simply would be another burden Canadians would have to bear. I was happy to hear the hon. member for Parry Sound-Muskoka (Mr. Darling) making reference to this particular tax and suggesting that it should be reduced to three cents per gallon. I would go one step farther than that and suggest it should be eliminated altogether.

It is a rather shocking experience to drive up to gas pumps in Ottawa and see, out of a gallon of regular gasoline which sells for 83 cents to 93 cents a gallon, that the government receives approximately 61 per cent. Out of the 83 cents to 93 cents a dealer receives for a gallon of gasoline, he is able to keep only, on the average, eight cents to ten cents. This is appalling. It is not the cost of gasoline which is so out of line; it

[Mr. Patterson.]

is the decision of governments to impose further burdens of taxation upon those who require to use their automobiles in order to carry on their daily activities, commuting back and forth to work and meeting their day to day obligations.

My suggestion is very straightforward and it would help to lower the rate of inflation. I would ask the minister to take this into consideration as he looks at suggestions which have been made. We are told we must move over to rapid mass transportation, but we find in this important area the government has been negligent and delinquent in even meeting the commitments it has made from time to time regarding the matter of urban transportation and a rapid transit system. Right now it does not pay to take public transportation systems; they are expensive, slow, uncomfortable and inconvenient. The automobile is still the cheapest, most reliable and most convenient method of transportation. Until the government sees fit to move in the direction of providing adequate alternate systems, then Canadians should be entitled to maintain their automobiles and operate them at a reasonable rate.

I hope the chairman of the Canadian Transport Commission wins out in his struggle with the Minister of Transport (Mr. Lang) and the vested interests of this country over advance airline charters. This could do wonders for the transportation system in Canada and be a real boon to the consumers of the country.

I should like to refer to another area which is a national problem, and that is with regard to the matter of housing. In the November, 1974, budget the then minister of finance, Mr. Turner, finally saw some light and partially removed the sales tax on building materials. Members of my party knew that this was not adequate. The government saw a little light, but did not proceed too far with it. The result has been that those who desire to construct their own homes are still faced with inordinately high cost because of the continuing tax on building materials.

If the minister reduced the federal sales tax to zero, that is, cut it by 5 per cent, it would mean a saving of some \$500 to home buyers. This would have a tremendous effect on the housing market and on the amount of disposable income for Canadians. I should like to refer to a recent press release which reads as follows:

Progressive Conservative consumer affairs critic, James McGrath, and finance critic, Sinclair Stevens, today called upon the federal government to implement an immediate cut in the federal 12 per cent manufacturing sales tax in order to reduce inflation and create jobs.

This proposal has been made time and time again. It has been reiterated by my colleagues, and I would like to add my voice to it. I am sure a great many members in this House have added their voices to this request and will continue to do so. I agree with the comments of the hon. member for Parry Sound-Muskoka who so very eloquently set out our proposals regarding the deductibility of property taxes from personal income tax. There is little being done by this government, and the minister should take this suggestion into consideration.

Also, consideration should be given to allowing interest paid on residential mortgages, up to a certain limit, to be made