

*Excise Tax Act*

of the House, and they know on the other side of the House, that this is not the major purpose. The major purpose is to work out some kind of common national petroleum policy.

**Mr. Gillies:** The major purpose is to penalize the poor.

**Mr. Blackburn:** As the hon. member for Don Valley (Mr. Gillies) says, its main purpose is to penalize the poor. I will not say it is the major purpose, but unfortunately that is what happens when this kind of tax is imposed.

Take physicians, for example, I do not oppose the fact that physicians have a write-off on their cars and an exemption if they use their cars in their day to day work. We know, however, that a lot of doctors make very few house calls today. They do make some, but usually the patient goes to the surgery or the hospital. Yet doctors can deduct this 10 cents per gallon, and they can claim a high depreciation on their cars. If a doctor lives in a large city and is not ashamed to drive a Cadillac or a Lincoln and changes his car every year, the amount of depreciation is immense. We have had that under successive Liberal and Conservative governments since income tax was first introduced.

**Mr. Turner (Ottawa-Carleton):** That was in 1917.

**Mr. Blackburn:** Right. But what about the working man or woman today who has to drive to work? A car is an absolute necessity in most of our cities, particularly the middle sized cities. It is also a necessity in rural areas where people might have to drive 15 or 20 miles each way to go to work. But they neither get a write-off for that ten cents a gallon excise tax nor a depreciation allowance on their automobiles. I dare say they put a lot more miles on per day, however, than the physician who goes from his home to his office.

When is this kind of thing going to change? When are we going to realize that while we are not all equal when it comes to ability, or ambition, or intelligence, we are equal before the law and deserve the same kind of treatment based on equality when it comes to taxation? The problem today is that the Liberal government still has not come to grips with this kind of equality.

We have talked about how this tax will affect home heating fuels, and we realize that natural gas is going up in price. We are living in a very high inflationary period and yet we have in this budget and this bill an inflationary spiral built in. I do not know why the Minister of Finance would bring in a bill at this time that would increase the cost of living by about two percentage points. We are paying \$2.20 for a pound of bacon, and over a dollar for a dozen of eggs, and these are basic commodities. A modest apartment in the city of Brantford for a family with one or two children cannot be had for less than \$150 or \$160 per month.

We have unemployment, and certainly this bill will not help that problem. By next January we will probably have in the neighbourhood of 900,000 or maybe even a million people out of work in this country.

What does it all add up to, Madam Speaker? We were expecting the budget and this bill in particular to relieve the inflationary spiral, or at least reduce it, and we were

[Mr. Blackburn.]

also looking for measures to put Canadians back to work. In this bill we are to get neither. We have before us a typically hodge-podge, band aid approach—"If you can solve a little part of the problem now, wait for another three or four months and see what happens".

● (2150)

That is not the way to approach the problem. We need to plan our onshore economy, that is, the economy of this country, in such a way that we do not suffer from these ups and downs, from periods in which there is high inflation and high unemployment at the same time, and from periods of boom followed by periods of bust. There is no indication that Bill C-66 will even out the business cycle of this country. I am not talking about the effects of offshore inflation, or of offshore foreign economies. I am talking about this country, about our problems in urbanization, problems to do with rents, mortgages and housing. This budget does little for housing.

I want to address myself to other aspects of Bill C-66. This bill actually touches on the nub of the problem confronting this country. We are trying to fight inflation but, at the same time, we are adding to it. We are forcing, not just a few Canadians, not just wealthy Canadians, not just middle income Canadians, but all Canadians, the great majority of whom are low and middle income earners, to pay more for a commodity which comes from our country's own soil, which is produced by Canadian workers, and which is largely financed, and could be entirely financed if we went the right way about it, by Canadians.

The opposition party to my right and the Liberal party have always drawn across our path that good old red herring that the inflation rate of Great Britain is 25 per cent, of Italy, 17 per cent, and so on. The people of Canada are not buying this argument any more. If we had to rely on Italy or Great Britain for our oil, O.K.; what could we do but pay their prices? But we have the oil; we have great potential for oil in the tar sands. We need not pay \$2 per gallon for gasoline. We need not pay what we pay right now. Members talk about what they must pay in northern Canada. I assure you, Madam Speaker, that in southern Ontario, where gasoline prices supposedly are lowest, you will pay between 78 and 82 cents a gallon, depending on where you buy.

**An hon. Member:** You should see the prices on Highway 401.

**Mr. Blackburn:** The hon. member refers to prices on Highway 401. No doubt those prices are high, but perhaps you could drive a few miles off the highway and buy cheaper gasoline.

The difficulty is that we don't know how to handle our own resources. We can develop them, yes, if we beg foreign corporations to do this. The problem lies in the distribution of our national resources. The government's excuse for imposing this excise tax is that it supposedly wants to conserve oil, whereas, in reality, it wants to create revenue; and I say the people of Canada are being had. I think the people know it.

I have been a member of this House for going on five years; I know many members have been here longer. Granted this is a political forum, this is the place to