

Excise Tax Act

urban transportation development corporation to promote improvements and develop policy on urban transportation.

Mr. Speaker, that was during an election campaign. It is all right to trot out all those promises before the Canadian public. It is all right to string them along. It is no wonder the people of this country are becoming jaded in respect of their view of the politicians of this country of all stripes. It is no wonder they say that when the politicians are on the election platform they say things simply to get the vote of the people, but that once they are elected they forget what they have said. There is a common saying in political circles that if there is distasteful legislation to be brought in, it should be brought in long before the next election because the memory of people is short. Is that the way the people of this country should be treated? If so, surely we cannot have very high regard for them. Do we think they are merely pawns which we can move around on a chessboard in order to obtain the final stroke of power? Is that what we think of the Canadian public?

The people in my community of Nickel Belt are being hit very hard. They are the same people who, when they go on strike for better wages, are blamed for the misery suffered by the people in the rest of the country or they are blamed for inflation. We create inflation and then blame it on the workers. When the workers fight for a better wage, then we talk about wage controls. That is certainly a very cynical attitude. If the minister is really concerned about conservation, I ask him where are the studies on conservation to show how much would be saved by the imposition of this ten-cent tax?

I suspect there must be some bureaucrats in the Department of Finance who suggested very strongly to the minister that he ought not to go for this ten-cent excise tax because of the effect it would have on inflation. I do not think the minister realizes fully the effect this regressive tax will have on the working people of this country. The minister should pay more attention to what the people of Canada are telling him in respect of the problems they experience. Surely he should at least pay attention to one of the agencies of the government such as Statistics Canada, which in its June report stated:

The consumer price index for Canada... advanced 1.5 per cent to 184.0 in June from 181.3 in May, with higher food prices, especially for meat, accounting for over three-fifths of this increase which was the largest since May 1974. The index for all items excluding food climbed 0.8 per cent in the latest month, maintaining about the same rate of change experienced during the last six months. Between June 1974 and June 1975, the total CPI advanced 10.4 per cent.

It is to be noted that the gasoline excise increase of ten cents per gallon imposed in the latter part of June is not reflected in this CPI. Preliminary indications are that most retail outlets had raised their gasoline prices by the end of the month. The impact of this tax alone would increase next month's total CPI by nearly one-half of one per cent.

The minister does not even look at the problems that are projected by people who are paid by the taxpayers of this country to look at the facts and figures and make suggestions. Surely information should be sought from these sources. If the minister does not listen to the people of Canada, he should listen to the highly-paid help whose opinions are available to him. He has more highly-paid help than the people of Canada have, and surely he should listen to them once in a while.

Can we imagine what will happen when the \$1.50 per barrel increase for petroleum goes into effect and when, on top of that, we have the increased UIC contributions? It is projected that the cost of living will be up 2 per cent. We must not forget that when unions sign contracts they are usually for three-years. On Friday, the Steelworkers of America in my riding will be voting on a three-year contract. The base rate will be \$5.45 an hour, and in 1978, three years from now, it will be \$7 an hour. When the government takes steps like this it wipes out whatever gains the workers make in respect of keeping up with rising inflation.

It seems to me the minister is increasing the process which we have right across this country at the moment where workers and employers sit across the table from each other in confrontation. This type of thing makes the collective bargaining process meaningless. As a matter of fact, in the past little while many work days have been lost due to this kind of confrontation. The government has done nothing to reduce the danger of this kind of confrontation.

We might look at the position of the government in respect of the UIC. When the new UIC act was brought in in 1971, the government considered that an unemployment rate of 4 per cent would represent full employment and said that it would pick up any deficit in the UIC fund beyond 4 per cent. We know what has happened since then. The government found itself having to pick up large deficits which amounted to \$500 million in one year alone. It seems to me that what we will have because of this budget and the bills which will flow from it is a recalculation of what the government considers to be full employment. Now, in the present bill, it will be 5.6 per cent, and by the end of the year I suspect it will be 6 per cent.

● (1650)

Where will it end? Will those who work always have to carry the fall-out of bad government legislation? Will they always have to pay and pay? As Ernest Hemingway said in his book "The Sun also Rises", does it always have to be the workers who have to pay and pay and pay? That is the kind of action and the kind of result government legislation has on working class people. The government hopes to collect \$500 million under the new arrangements for collecting unemployment insurance contributions. It is easy to see who will pay. As I said, it is the working class that pays. But about the problems of the working class? What about the serious problem of housing which they cannot afford?

I have said in the House that we seem to be sitting on our priorities around here. We have a serious housing problem. People cannot afford interest rates on mortgages. A person who pays \$3,600 a year in mortgage payments finds, when he gets his end of the year statement, that he only paid \$200 on the principal and all the rest was interest. I do not think the government fully realize the seriousness of the situation in this country. There is a big article about this in *Time* magazine, entitled, "Is Capitalism Dead?" At the end one finds out that it is not dead. If the government is serious about the survival of the capitalist and the free enterprise system they should realize they are doing more to destroy that concept which they hold so dear than to maintain it. It seems to me that this