

*Excise Tax Act*

complaint against him was not about a Member putting questions to another Member while he is speaking. Actually, what he does is make audible comments when he is not even in his seat, and then leave the House. Mr. Speaker, I wish you would remind him of the ruling you handed down several months ago, when he was acting in a way that was not acceptable in this House.

**Mr. Rossi:** On the same point of order, Mr. Speaker.

**Mr. Deputy Speaker:** The Hon. Member for Bourassa (Mr. Rossi), on the same point of order.

**Mr. Rossi:** I would say that it is not up to the Hon. Member but up to the Chair to decide. She complains all the time . . . You see, what she is doing is just talk for the sake of talking, as usual. She does not want anyone to ask questions when she is speaking, and she goes and complains behind the curtains to the Speaker as soon as any one does, Mr. Speaker.

**Mr. Deputy Speaker:** I would ask the Hon. Member to listen to what the Hon. Member for Davenport (Mr. Caccia) has to say.

[English]

**Mr. Caccia:** Thank you, Mr. Speaker. I hope that this latest exchange and the time involved will not be counted against the time allocated to me. The points that I am trying to get across to this evidently nervous group of Tories across the aisle who are, as you can see by their faces, extremely unhappy about the result of the polls, is that if they had listened to our advice and comments since the Budget was announced when we told them that this Budget had a number of weak points and a number of wrong decisions in it, maybe the polls today would not have been so unfavourable as their present result.

There are a number of measures in this Budget that are going to come into effect once the Bill is approved, which we object to. There is, for instance, a 6 per cent tax that became effective on the day of the budget that affects insulation materials, heat pumps, solar heaters, panels and furnaces, wood-burning stoves, wind deflectors, wind generators and windmills and other such energy saving types of equipment and material.

In addition to that, we are debating a measure that involves tax increases on gas of 2 cents per litre as of September of this year, and that will impose 1 cent per litre in January of 1987; a tax that has already been imposed on many categories of construction materials; and a tax on equipment and construction materials using energy conservation; a tax on candy, soft drinks and pet foods; a tax on a wide range of health care products on which we on this side of the House have commented on a number of occasions before, and I would not be surprised if it is also one of the components that has led Canadians to lose their confidence in the Progressive Conservative Party to govern them, as shown in the poll published today. An increase in federal sales taxes across the board from 10 per cent to 11 per cent will become effective on January 1, 1986.

If we look at 1990-1991, what we see is a picture where consumers will pay some \$2.6 billion more as a result of these tax changes while at the same time corporations will enjoy a \$2.2 billion decrease in taxes. The capital gains tax break alone will reduce the taxes of wealthy Canadians by some \$1.25 billion. I ask, where is the equity in the long term of this kind of taxation measures?

To increase sales taxes is damaging to the purchasing powers of consumers, as we know. The increase in higher fuel costs will affect also the cost of transportation and it will affect also the competitiveness of Canadian truckers *vis-à-vis* their U.S. competitors. Hundreds of small and medium-sized construction companies will see their profit margins cut to the bone as they are forced to absorb the new 6 per cent tax on construction materials because of the existence of many fixed-price contracts in this sector, which as you know characterize the construction industry, and which are of a nature that cannot be modified just overnight.

We made suggestions, and I thought they were practical, on our side of the House, that this tax on construction companies be phased in to take into consideration fixed-price contracts, but these suggestions have been ignored by the Government. The list goes on and on. What we object to are the details of the measures as well as the direction that is being taken on behalf of Canadians.

I would say in summary that the new taxes discourage energy conservation and they erode the progress made in permitting an increased capacity on the part of the Canadians to exert their purchasing power and, therefore, they erode the purchasing power and lower and middle-income Canadians. In the time available today I would like to speak about a specific measure whereby a specific tax rate will be imposed on unleaded gasoline, a .35 cents per litre tax as compare to .32 cents per litre on regular gasoline. In bringing this to the attention of Hon. Members and the Government, I regretfully conclude that the Minister of Finance (Mr. Wilson) made a serious political mistake, particularly in environmental terms. I will explain this mistake as briefly as I can.

● (1240)

It is well recognized that leaded fuels contribute to environmental degradation, and this occurs in two ways. First, lead emissions pose serious environmental threats in and of themselves, particularly in large urban areas. This has led to legislative reductions in allowable gasoline lead content. The desire to control emissions of substances like CO, HC and NO<sub>x</sub> has led to tough emissions standards requiring the installation of expensive catalytic converters on new automobiles. These converters are very sensitive to lead in fuels and lead to relatively high rates of misfuelling, which render the converters impotent, thus sabotaging the cause of good, sound, tough environmental standards.

Approximately one-half of the misfuelling that takes place in our country today has been encouraged by the price advan-