

Excise Tax Act

the government does not care about those who need their cars to get to and from their work. The same is true of the elderly who have been paying their taxes for 30, 40 or 50 years and who now have to pay unreasonable and oppressive indirect taxes to support their government's greed for more and more revenue.

● (1640)

It is all very well and good for the government to tell people to use public transportation. That is fine in the great capital city of Ottawa, the metropolis of Toronto and other large places. But there is not a hell of a lot of public transportation in rural Canada, and in most areas it would not be economically feasible. For instance, the riding of Parry Sound-Muskoka comprises about 10,000 square miles within which reside 61,000 people. I know that in Your Honour's own riding in the northwestern part of Ontario there is not too much public transportation.

In other words, without the car, where would the ordinary citizen be? To return to the poor working people, they live in the country because it is cheaper to do so. Taxes are not so high. Retired people, old age pensioners, are still living in their farmhouses and occasionally go to town to shop, visit the doctor, and so on. These are the people who are feeling the pinch of this ten cents a gallon tax, and I hope some consideration will be given to them. As for the ordinary businessman, salesman, and so on, this is a tax-deductible item for them. As the hon. member for Waterloo-Cambridge (Mr. Saltsman) said, where does the ordinary workingman have an opportunity to deduct this expense from his taxes? Even if the minister did do an about-flip, in many cases they would not earn enough money to get a refund on their tax.

As we know, Mr. Speaker, the tax on the consumer is more than the ten cents the finance minister announced in this House. The tax is collected at the producer level, and it is well known that by the time it is collected at the producer level the amount paid at the consumer level is more than the percentage taken at the top. The increase is more likely to be 12 cents a gallon, and when we take into account the five cents that is to be levied in August, which will probably be more in the order of six or seven cents at the consumer level, we are talking about an increase of around 18 cents a gallon. It was not too long ago that I was paying 72 to 73 cents a gallon for number one gas. I filled up on my way down from Sudbury yesterday at Mattawa and I paid 88.9 cents a gallon.

This brings up another sore point with me, and I refer to this .9 cents a gallon. I asked the gasoline dealer why he did not make it 89 cents a gallon. I told him I did not like the price of 88.9 cents and asked him when he would change. He said, "Probably when they make the gas \$1 a gallon". I know the minister is not responsible for this, but we all see this 79 cents or 88 cents in large letters, with a little ".9" down in the corner. This goes against my Scots ancestry, Mr. Speaker.

The finance minister tries to maintain that this increase in the excise tax will result in a reduction in the use of gasoline and thereby conserve fuel. The minister should know that is not the way things work out. When a new tax is added to a commodity that people want or must have, they go right on buying it at the new price. I think that

[Mr. Darling.]

has been proved with the tax on certain liquids—whisky, beer and wine. I happen to be one of those who is not too averse to those particular taxes because the government does not raise much revenue out of them from me. Although I am a teetotaler, I have a lot of thirsty friends, so I do contribute to the revenue from this tax. But it would not hurt if we cut consumption of some of these liquids; the country would be a lot better off without them.

It has been shown over and over again that conservation is not related to the price that consumers pay for a product, commodity or service, and it is pure deceit on the part of the government to try to justify this latest increase in gasoline prices on the need to conserve fuel. The government talks about conservation and restraint in spending, and at the same time it is calculating how much revenue it will derive from the new taxes.

Then there is the grand gesture of reducing taxes on insulating materials. The Minister of State for Urban Affairs (Mr. Danson), the minister responsible for this unholy mess in the housing market, states publicly that he will not be able to meet the target that he set a few months ago for housing starts. In the House this afternoon he was quizzed by our housing critic on the revised figure from 210,000 to possibly 180,000 at best, which does not augur well for many Canadians who are looking for housing. The minister knew when he made this very optimistic projection what the real problems were with respect to housing. Some of them were the federal tax on building materials, the shortage of low interest mortgage money and the need for a national housing policy that was integrated with the policies and requirements of the cities and provinces. The information needed to formulate a federal housing policy has been available to successive housing ministers for a very long time, and the present minister is no exception.

I do not know whether the present housing minister has ever tried to get his cabinet colleagues to drop the federal tax on building materials in an effort to increase housing starts, but certainly the opposition has been beating this particular drum to the Minister of Finance for a number of years. This might help bring down the selling price of housing units. However, the tax is still in effect and the problem of housing starts and unit price is getting worse instead of better. I do not know whether the minister has tried to get more than the \$200 million announced in the budget, but if he has, Mr. Speaker, I can only say that he does not have the support of the majority of the cabinet. I give the Minister of Finance full marks for trying to do a tough job, something that is a known fact. He has to spread money as thinly as possible and at the same time make it cover as many facets of government spending as he can.

At this time I should like to put in a word for the tens of thousands of Canadians who have been unemployed for months, even years, and who do not show up in the government's unemployment statistics. They are a ghost legion of forgotten men and women, people whose UIC benefit eligibility has run out and who are therefore no longer registered in UIC offices. They have simply given up trying to find work. I believe that if these people were still listed in the government's statistics we would have a real unemployment rate of 8 or 9 per cent, representing