

*Excise Tax Act*

Many Liberal backbenchers have been silent through this debate. They have received complaints from their constituents but have been afraid to stand up on their behalf. They have accepted the argument of the Minister of Finance that somehow this ten cents per gallon tax is just and that the poor oil companies deserve the revenue.

I have heard one or two Liberal members speak, and I think that is a record. They are usually quiet when the minister presents this type of legislation. One of their arguments to try to justify the tax was that if it were not done by direct taxation then it would have to be done through income tax; that it would be unfair to anyone who does not use a car to pay income tax to raise revenue, and that people at the lower end of the economic scale would be paying income tax to compensate eastern Canadian consumers. I reject that argument, Madam Speaker. If there is anything that is discriminatory it is this kind of sales tax that applies across the board, no matter whether you make \$5,000, \$10,000, or \$50,000 per year. It is discriminatory to hit the low income earner with the same tax as the high income earner.

If there is any principle that I thought was accepted by Canadian taxpayers and the Canadian government it is that income tax is the fairest way to raise revenue. It is based on ability to pay, so those in the high income brackets can afford higher taxes and those in the lower brackets pay less.

This kind of proposed tax hits the old age pensioner just the same as someone in a high income bracket. It hits the disabled person, it hits the worker who has to drive to work—not the same as a doctor at the upper income level or a salesman or anyone else who has a car. The Liberals always have to look after their friends in the upper income brackets and so have provided exemptions for them.

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I point out that doctors, salesmen, and others who use their cars for business will not pay the ten cents a gallon tax. It will be refunded to them. Workers will pay. Steelworkers of my constituency, and others in rural Canada who must drive 10 or 20 miles to work, must pay the tax; doctors, salesmen, and others will not. That is why I say this tax is so unfair. Both low income and high income people must pay the same rate of tax. If any Liberal backbencher can explain why that system of taxing is fair, I should like to hear him—or her. I submit that this kind of tax discriminates against low income people, and against those in certain job categories. That is why it is unfair.

If people could take public transport, if they were not forced to drive a car, it would be different. In the 1974 election campaign the Prime Minister (Mr. Trudeau) promised that hundreds of millions of dollars would be spent on improving the country's public transport. What happened to that promise? It is as hollow as other Liberal promises. Most people cannot choose to take the subway, bus, or fast train from the suburbs or rural communities to their work place. They must drive their automobiles. Why should they not be given the right to the rebate?

But the government will not exempt the mass of consumers, those who drive to work or use their cars for recreation. The government will not exempt them, but will

[Mr. Symes.]

exempt its friends. That is unfair. The government has put this ten cents a gallon tax on the backs of the working people of the country.

The government could use other methods for raising \$500 million. It need not increase personal taxes. It could make the corporations shoulder a fairer share of the tax burden. Actually this would not entail increasing corporate taxes. Theoretically, corporations pay a rate of about 46 per cent, but their many deductions reduce corporate taxes to 20 per cent in some cases. Some oil companies pay as little as 11 per cent. However, the government need not interfere with the corporate tax system. It could raise the money by charging interest on money which has been made available over the years to corporations. What am I talking about, Madam Speaker?

**Mr. Lambert (Edmonton West):** I wish I knew.

**Mr. Symes:** Corporations owe \$7 billion in deferred taxes, which is nothing but an interest free loan. If the government charged them 10 per cent, it could raise \$700 million a year in extra revenue. But the government has not charged the corporations interest. Madam Speaker, my constituents cannot borrow money from the bank at much less than 10 per cent or 11 per cent. But the government gives the corporations an interest free gift in the form of deferred taxes. It need not increase corporate taxes. Let it charge interest on deferred taxes. Surely even the backward looking Liberals will accept the fairness of this proposition.

If the government lends the corporations \$7 billion it ought to charge them at least 10 per cent interest and thereby raise money for the oil compensation plan. That way it would not need to charge the consumers of gasoline a ten cents a gallon tax. Perhaps that approach is too sane, too logical for the Liberals. When they do not want to do something, when they do not want to initiate a new health plan or pay a higher old age pension, they argue, "But we do not have the money and can only raise it by increasing your taxes." They never mean corporate taxes; they always mean taxes paid by individuals. The proposed excise tax is another example of that very policy which is so discriminatory.

Besides the ten cents a gallon tax the consumer must pay other taxes. The province of Ontario charges a tax of 19 cents per gallon. Even before the budget gasoline prices in Ontario averaged 65 cents per gallon, and prices in northern Ontario were substantially higher. Prices will rise, and fully 29 cents of the new price will go to paying federal and provincial gasoline taxes. Putting it another way, 60 per cent of the cost of every gallon of gasoline in Ontario will go to meeting federal and provincial excise and sales taxes. These taxes are discriminatory. Both high and low income people pay the same rate of tax under this system, whereas the graduated income tax does not work this way. Better still, why not charge the corporations interest on their \$7 billion of deferred taxes?

This legislation will hit hard those who must drive their car to work, those who are disabled and depend on their cars, and the low income people—this includes the majority of Canadians—who depend on their cars for the family vacation. It will ruin the tourist industry in my part of northern Ontario. People will not drive their cars to our