

Excise Tax Act

States economy is in some difficulty. The United States, therefore, is not taking up the imports at its end to the extent it is entitled to do so at this point. Therefore, the revenue from this special tax has diminished at a very fast rate.

I think hon. members opposite would expect that the money for any subsidy program would have to be raised through revenue in one form or another. The hon. member for Sault Ste. Marie and his party do not ever believe it is necessary to raise revenue to meet expenditures. However, if there is to be a one-price system in respect of oil across this country, revenue indeed will have to be raised somewhere in order that this subsidy system will work. The opposition parties have put forward their ideas. Now I am responding to their challenge that Liberal backbenchers stand up and support the tax.

If revenue is to be raised to pay for this subsidy, where should it come from? I hear a comment from the other side that it should come from general revenue. I would ask these people to define where this general revenue should come from. They now define it as being corporate income tax. I think it has been generally accepted that if this revenue is not to come in the form of a special excise tax, it will have to come from some source, probably in the form of additional income taxes, and I should like to remind the hon. member for Sault Ste. Marie—who is very worried about the middle income taxpayers—that any increase in income tax substantial enough to meet this revenue would hit hardest the middle income tax group.

Mr. Rodriguez: What is this excise tax doing?

Mr. Martin: The battle continues. I think the choices before the government were clear. It could either raise this revenue from additional income taxes—which, I repeat, would hit the middle income taxpayers hardest—or it could endeavour to raise the money from those most directly involved in the consumption of the product. The decision to impose the tax on gasoline was made for this reason, so at least some discretion was left to the individual user as to whether or not he would indeed pay the tax.

● (1640)

Mr. Rodriguez: Who is exempted?

Mr. Martin: The point has been made that a great many rural people must use their cars to get to work. That is very true. But there are also a great many Canadians in urban areas and elsewhere who are completely dependent on their automobiles to get to work. In fact, in many cases they are not earning enough money to run an automobile. In these cases they are completely dependent upon public transportation systems. These people will not be required to pay any part of this additional tax. If, on the other hand, the tax had been imposed at the income level, they would be paying their share just the same as people who are using the gasoline. So the decision was made to impose the tax on those who are directly consuming the product.

The shallowness of some of the points put forward by the hon. member for Sault Ste. Marie surprised me somewhat, because with his background and his knowledge of what lies behind this tax he should have known better. He should have known that \$350 million to \$400 million must

[Mr. Martin.]

be raised from some source, otherwise people in Ottawa, Cornwall, and east of the Ottawa Valley will be faced with paying the world price for crude oil, which we know now costs approximately \$12 a barrel. This could result in gasoline prices at the pump moving up to the world level of \$1.80 or \$2 per gallon.

An example was given by the hon. member for Sault Ste. Marie of the effect of this tax. I believe he made a calculation and told us that the tax would amount to \$50 a year. This works out to approximately 15 cents a day. No tax is ever popular. There will never be a tax that is popular. So you will always have letters and expressions of unhappiness when a tax is imposed. The question is whether 15 cents a day is unreasonable from the point of view of the individual who is driving his car to and from work. I ask the hon. member to consider this point. Personally, I do not think it is unreasonable and it is a much more equitable way, not regressive, in which to raise this kind of revenue which is for a specific purpose, namely, to pay for the subsidy that is involved in keeping oil and petroleum prices at one level across the country.

Other points were made by the hon. member on which I would like to comment, but I wanted to speak in particular at this time in defence of the ten cents tax and to assure hon. members that the imposition of the tax has the complete support of all hon. members on this side, backbenchers and others.

Some hon. Members: Hear, hear!

Mr. J. R. Ellis (Hastings): Mr. Speaker, I am delighted to speak on this amendment, particularly after we have finally flushed one of the government backbenchers out of the woodwork. The hon. member for Scarborough West (Mr. Martin) pointed out that all hon. members opposite support this tax. I wonder if they are all so sure that all their constituents support it. I represent the riding of Hastings and I try at all times to represent the views of my constituents. I am sure that I do not always do so, especially on such emotional issues as abortion, capital punishment or bilingualism. I am sure that from time to time I differ in my views from some of my constituents. However, on this issue I know that I represent a vast majority of the residents of Hastings riding.

Despite what the hon. member for Scarborough West says, I for one—and I know I speak for some of my colleagues at least—am not here to voice opposition to every issue that comes up. We are quite prepared to support the government when and if the government merits our support. But with the record of legislation that we have seen recently, it is very hard to support this government, especially on the poor legislation that has been put before us, from this rip-off of the average Canadian to the outright fraud in the Olympic coin legislation. I find I have to warn some of the coin collectors in my riding that they are faced with the possibility of getting coins that are only half the value of others, yet they will have to pay the same price for them.

How do you support this government when it takes upon itself the spending of money in ever increasing amounts? The other day the Minister of Finance (Mr. Turner) said that he does not decry the value of \$1 million—he was not quite as blunt as one of his predeces-