

witness the sometimes heated discussions on the subject, because the criticisms of the people are really harsh and comments are getting violent.

It can be said that because of the bill the Liberals' star is setting fast. As a matter of fact, I had warned the Minister of Finance (Mr. Turner) when he presented his last budget that the gas price increase would be a bad measure in every respect. It is the most negative measure in his budget and it leads one to conclude, and everyone is saying so, that there will be no election this year. Anyone who cares to examine the bill and the consequences its implementation will have must really look hard to find out who might benefit from it.

No one, or almost no one, will benefit from the positive windfalls resulting from this bill, while on the other hand the most favoured will be inflation which will continue to increase. In my remarks on the budget speech I deplored and I still deplore today the fact that those who are hardest hit by this impossible legislation are once more the workers, the labourers and the farmers. Besides, the Canadian Chamber of Commerce has also expressed the opinion that the great loser in this matter will be the average citizen who has very little means to try to conquer his self-sufficiency. This means that is purchasing power is directly affected once more, without his being able to salvage anything from this important financial loss that he cannot avoid.

● (1530)

But an inevitable fact will happen if the government so continues to strangle the Canadian workers who are the basis of the economic pyramid of our present financial system. Indeed, if they are not allowed to adjust themselves and face the difficulties we encounter, the situation could crack on all sides and further worsen the economic problems Canada is now faced with.

Last week, here in Ottawa, the Food Prices Review Board published the report of a study made from January 1973 to April 1975, and the results make us think a lot since they directly affect the average citizen, and especially low income families. For that period, the price of bread increased by 51 per cent and the price of fresh milk by 54 per cent, while the consumer's price index for general food consumed at home went up by 35 per cent.

These facts are really meaningful, and if the 10 cents increase on gasoline is added, it becomes in every aspects a practical nonsense.

Last Wednesday, the hon. member for Nickel Belt (Mr. Rodriguez) gave us a very good account of the painful situation of workers in his area who must drive several miles every day to go to work. Here is what he said:

The minister now comes along and slaps these people down with this ten cent per gallon tax. Even if they form pools, and they do, they cannot claim the fuel expense including this excise tax. They must use their cars or vehicles to get to and from their work, in much the same way as a doctor uses his car in the pursuit of his profession. There is no difference in the use of the vehicle, but the doctor is able to write off this tax.

He can have a rebate for this tax, whereas the worker cannot.

I want indeed to point out that this situation where workers absolutely have to drive to work is the same

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almost everywhere in Canada. In reality, only the cities of some importance can provide a choice in means of transportation to go to work. In my area, in the constituency of Richmond, we have the same situation. Many workers have to drive to work in the plants of Richmond, Windsor, Brampton, Sherbrooke, Valcourt, Disraeli, Weedon and other places. There as elsewhere our workers are affected by this tax.

There is also another class of losers, and these are the farmers. Indeed, the president of the Canadian Federation of Agriculture strongly criticized the last federal budget and pointed out the adverse effects of the increase in the price of gas. He clearly indicated that, on the one hand, although the budget provides an exemption for farmers, they will feel the increase in prices this coming August and, on the other hand, the prices of many oil by-products necessary in agriculture will automatically jump once again. This means that they too will feel the pinch of that increase and that will inevitably lead to a rise in the costs of food products. It is a vicious circle, and the government is currently maintaining the inflationary thrust by measures as irrational and detrimental as those contained in Bill C-66.

However, the government would like very much to let someone else carry the odiousness of such an unpopular measure but it might be a lot more difficult to do this time. Indeed, oil companies also reacted. Everybody is stepping in to lay their cards on the table, which might upset the strategy of the government and actually clarify the situation. For example, the Canadian Chamber of Commerce stepped in to say that those price increases for petroleum products benefit federal and provincial governments but not oil companies. Mr. B. T. Johnson, Chairman of the Executive Committee of the Chamber, stated the following:

Unless producing provinces reduce their royalty rates the amount of \$1.50 will continue to be taken entirely by the federal and provincial governments till December 31, 1975, and afterwards the government will receive about \$1.25 or 83 cents."

● (1540)

Those statements are quite interesting and help in understanding the entire problem. Moreover, Gulf Oil Canada Ltd. President Jerry McAfee has stated that the federal budget does not take into account the real causes of the difficulties now experienced by the oil industry and that the governments will pocket almost all those price increases. Mr. McAfee went on to say and I quote:

Whatever explanation is given by the government, the main thing is that the public must understand that oil companies which need funds for exploration will not have any of those funds collected through the levy of a new excise tax of 10 cents per gallon of gas and the increase of \$1.50 per barrel of oil.

They have taken everything! Two thirds of the increase in the price of crude oil will go to the producing provinces and the other third will go to Ottawa; the federal government will of course keep all the revenue from the excise tax, probably to maintain throughout Canada a uniform price for crude petroleum, even in the areas which import oil at the highest cost.

The excise tax may contribute to reduce consumption, but the sad fact is that Canada cannot conserve enough to ensure sufficient supplies for the future. This objective can only be met through an energetic prospection program. It is unfortunate that the government is trying to create the illusion that this budget will promote prospection when, in fact, only about \$40 million will go to the industry. At current price