

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: Order. When the House rose at six o'clock, the House was considering motions Nos. 36, 37, 38, 39, 40, 41, 42 and 43 which are grouped for debate. Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is being put on motion No. 36—the hon. member for Etobicoke Centre (Mr. Wilson).

Mr. Wilson: Mr. Speaker, I wonder whether the Minister of State for Finance (Mr. Bussières) is going to respond to a number of questions that have been put to him on these particular amendments. They are important questions which are of great concern to people in western Canada and across the country in terms of the impact this tax has on food. I would like very much to hear the comments of the Minister of State for Finance.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, the hon. member—and I hope he is listening—will have an opportunity to rise later on. He will take ten minutes to criticize the government because he does not have the time to speak. When we speak, he is not satisfied, but when we do not, he is not satisfied either. He is never satisfied. It is my duty, and his too, to co-operate and see to it that the House can function.

One of the questions raised by the hon. member is why there is no exception for fertilizers or for other sectors. Obviously, in certain spheres of activity or for certain goods, we have to consider input factors, production costs, as well as the possible effects on other sectors of trade, and in this case, the sector to be considered is that of food production. Several industries have asked to be exempted from the tax on natural gas and, of course, the industrial sectors that are major consumers of natural gas would also have liked to be exempted. However, we have to consider the purpose of this tax, which is to yield revenues to the federal government by other means than by increasing the well-head price, and if we were to justify an exemption for one sector, we could also find justification to exempt another one and finally, we would have a very great number of exempted sectors, and there would be no reason to maintain the tax.

However, because the tax must be maintained and is fully justified within the framework of the National Energy Program, we are maintaining it and we are not granting any exemptions. The hon. member for Sarnia-Lambton (Mr. Cullen) has made some interesting comments, and I would like him to remember that Revenue Canada is still investigating to ensure that liquid gas substitutes in the fractionating process are not used to avoid the tax. Obviously, at first glance, one might think that there is a certain kind of discrimination. If

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one goes deeper into the matter, it becomes clear that, if granted, the exemption asked by the hon. member would reverse the problem and create a distinct advantage in a very special case.

Taken as a whole, amendments Nos. 36 to 43 aim quite simply at removing completely the tax on natural gas liquids and deleting the sections which provide for the imposition of such a tax. As I have indicated, this tax is part of the National Energy Program. I do not want to go over the major elements of this energy program which, I am certain, has the support of most Canadians. We recognize that some parts of the energy program may cause certain problems to certain groups of individuals. For instance, I am certain that the New Democratic Party is 100 per cent in favour of the Canadianization program and certainly of the basic objectives of the National Energy Program, but it finds it hard to accept taxes on natural gas, in this case, Mr. Speaker, and on oil, which aim at redistributing the revenues generated by this production sector.

● (2010)

The hon. member for Kamloops-Shuswap (Mr. Riis) says: Very well, you are taxing a resource involving three provinces. Let me ask him if he accepts the fact that in these circumstances, not only in Canada but all over the world, some natural resources cannot be a source of wealth, of much greater wealth than some other resources that certain provinces may develop in other parts of the country, and consequently, if we try to analyse— The hon. member for Broadview-Greenwood (Mr. Rae) asks if the price of gold has not increased. It has, and since then mine operating subsidies have ceased. Because the hon. member must remember that over a long period of time there have been gold mine operating subsidies in this country. Fortunately, with the increase in world gold prices, such subsidies are no longer needed.

I wanted to indicate that some natural resources may generate more wealth than other resources. It is normal, under the general sharing principle that is basic to the Canadian federation, that those revenues be used first to establish a better domestic price in Canada for Canada's oil products, second to use that surplus wealth to Canadianize oil research, exploration and development operations in Canada, and finally that we pursue the much broader goal of oil self-sufficiency, in keeping with our national energy program of oil self-sufficiency for Canadians, in the near future. This is why I propose to reject most amendments and maintain taxes on liquid substitutes for natural gas.

[*English*]

Mr. Hargrave: Mr. Speaker, I should like to remind the Minister of State for Finance (Mr. Bussières) that before the House rose for the dinner hour at least four or five members on this side of the House raised a very reasonable point about the extension of the time from 30 days to 90 days in the payment of the gas tax. It was a very genuine and sincere