

# HOUSE OF COMMONS

Monday, October 28, 1985

The House met at 11 a.m.

● (1105)

## GOVERNMENT ORDERS

[English]

### EXCISE TAX ACT AND RELATED ACTS

#### MEASURE TO AMEND

The House resumed, from Thursday, October 24, consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof be read the second time and referred to a legislative committee.

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, I am pleased to have the opportunity this morning to speak on Bill C-80 which relates to the Budget delivered on May 23 of this year. That Budget has had very detrimental effects on low and middle-income people in this country. It has had a very retrogressive influence on the Canadian economy and on its prospects for the future.

This morning I would particularly like to discuss matters relating to the Budget as they in turn relate to energy. The Budget stipulated that the excise tax on gasoline be increased by two cents per litre on September 3 and another cent per litre on January 1 of 1987. There will be a further increase in taxes as a result of the Government backing away from the partial deindexation of old age pensions. Although we are very pleased that the Government backed away from that policy, we feel that it is very unfair to make up for it through the price of oil. It seems that the Government believes in give and take and this belief is costing consumers a bundle of money. The Government believes in giving lots of money to the major oil companies through such vehicles as the Western Accord and the Gulf tax deal. The Government can give millions of dollars to bail out banks which failed due to a multitude of bad loans and bad management. However, the Government can only take from consumers.

Since the new Government came into power the consumer has had to face more and more tax increases. The Government tried to take money away from senior citizens and when it backed away from that policy the consumer, rather than big business, ended up paying for it through an increase in the price of gasoline. The consumer ends up paying through the nose because it seems that the Government cannot see beyond the end of its nose. The Government promised that the con-

sumer would benefit under deregulation. The consumer has not benefited one bit from deregulated prices. Oil prices are falling everywhere except in Canada. Thanks to the generosity of spirit which the Government is displaying the consumer in Canada is experiencing more and more tax increases.

I would like to point out the inconsistency, the ambivalence, and the complete disregard shown by the Government by referring to some of the things it said and some of the indications it has given to the people of Canada. After a meeting with Ministers of Energy in late January it was agreed that companies operating in Canada be allowed to negotiate their own deals with U.S. importers without having to wait for federal approval of export prices. At that time, the Minister of Energy, Mines and Resources (Miss Carney) said that this move by the federal Government in realizing export pricing controls is an important step toward ultimate deregulation of Canadian crude oil prices and marketing procedures. She went on to say that it was impossible to project what effect a new energy pricing policy would have on consumer prices. She was prepared to go ahead with this program of deregulation without any idea what effect it would have on energy prices in Canada. At no subsequent time did the Government give any indication of concern about what would happen to energy prices here. Why did the Minister agree to deregulation if she did not have any idea of what effect it would have? It does not make any sense that she would have agreed to that.

● (1110)

In April, an energy expert with the Consumer's Association of Canada said that consumers can expect very significant increases in gasoline prices after June 1, the time of deregulation. That expert was Bruce Wilson, the association's energy committee chairman. The Government and the Minister of Energy, Mines and Resources were told that oil company officials reluctantly admitted that tax cuts will not mean cheaper prices at the pumps.

Austin Torrell, of Gulf Canada Products said that gas prices are largely contingent on the price producers pay for their crude oil. He said: "As a refiner and marketer of petroleum products, we see no change in the price consumers will pay for gas as a result of these cuts unless there is a change in crude oil prices". There has been a change in crude oil prices internationally. There has been a reduction of oil prices to consumers everywhere but Canada.

Why has that happened? Why have oil companies not passed those reduced costs of oil to consumers in this country? It is obvious that the producers believe they have the support of the Tory Government in Ottawa and that there will not be any ripple effect if the people in this country are charged as