

Oral Questions

been raised zero per cent in the United States. That is the big difference.

COMPARISON OF CANADIAN AND UNITED STATES PRICES

Right Hon. John N. Turner (Leader of the Opposition): Would the Minister of Finance explain, in the absence of his colleague, why it costs \$10.84 cents more to fill up a mid-sized Chrysler at a gas station five blocks from Parliament Hill than it costs to fill up the same type of automobile five blocks from the White House?

Hon. Michael Wilson (Minister of Finance): I will explain it very clearly, Mr. Speaker.

An Hon. Member: The Americans didn't have a Liberal Government.

Mr. Wilson (Etobicoke Centre): On September 4, 1984, we were presented with a \$38 billion deficit which was growing and growing very quickly. There were a number of elements we took into account in dealing with that problem. One was the most substantial drop in Government spending which any Government has brought in in the history of Canada.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): A very large proportion of our policies towards that have been on the spending side, part of which has been in excise taxes. That has had some impact on the price of gasoline. However, let me also add—

Mr. Speaker: Order, please. Supplementary question.

Mr. Gauthier: We asked a short question; we want a short answer.

FEDERAL TAX

Right Hon. John N. Turner (Leader of the Opposition): The Minister of Finance, of course, neglects to remind the House that his colleague, when she signed the so-called Western Accord, promised Canadians that gas prices in this country would go down as oil prices went down, and that has not happened. Why do Canadian motorists pay \$5 more federal tax when they fill up a tank than does an American motorist?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member refers to what my colleague, the Minister of Energy, Mines and Resources said. At the time the regulation was changed on June 1 of this past year, there was going to be a new regime which would allow market forces to operate, and they are operating—

An Hon. Member: Sure, they are.

Mr. Wilson (Etobicoke Centre): There is going to be a significant drop, as the Minister of Energy, Mines and Resources said yesterday, as the drop in the international price works through the system. I would think that the Leader of the

Opposition would be congratulating us for having the foresight to bring in this policy which will lead to a reduction in gasoline prices.

● (1420)

REQUEST FOR TAX ROLLBACK

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, it is quite clear to the Minister that market forces are not working. World prices are going down and our prices are going up. That is the reality. In Newfoundland today we are paying a minimum of 63 cents a litre for gasoline. That is because federal taxes have gone up 58 per cent in the last 12 months.

Mr. Crosbie: Nonsense.

Mr. Rompkey: The Canadian Automobile Association said that tax is unfair, discriminatory, and a rip-off. Will the Minister roll back those taxes and stop that rip-off of discriminatory taxation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, Canadians are not dumb. During 1980 to 1984 they saw gasoline prices rise more than in any four-year period probably in the history of the country.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): It was the result of the National Energy Program, plus intense regulation, which squeezed out market influences in that particular industry. If the Hon. Member wants to go back and read what the NEP said, it called for a price of gasoline which, had we kept the NEP, would have been quite a bit higher than we have even today.

REQUEST FOR MINISTERIAL ACTION

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I am talking about the last 12 months where there was a 58 per cent increase in taxes. That was not to pay for the NEP; it was to pay for the capital gains exemption and the bail-out of the banks.

Some Hon. Members: Oh, oh!

Mr. Rompkey: There are parts of this country where a car is a necessity, not a luxury.

Mr. Speaker: Order, please. Just a question, please.

Mr. Rompkey: Will the Minister stop this discriminatory taxation and stop syphoning money out of the pockets of Canadian motorists?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, maybe the Hon. Member from Newfoundland is forgetting one thing which has happened this past year, that is, the Newfoundland Accord. If he wants—

Mr. Rompkey: How about a consumers' accord?