

*Excise Tax Act*

people by subway and by highway, I imagine that the subway moves more people more cheaply than the highway system does.

Some countries, particularly Russia, have never shown interest in developing an automobile industry. They have taken the other route, that of developing public transport. Countries like that move an immense number of people by public transport facilities. Examples which come to mind are Japan, Great Britain, and other countries which use modern rapid transport facilities.

Ottawa is unusual. Except for federal parking facilities, parking space is limited. The public transport system is reasonably good and some interesting but expensive innovations were tried in the suburbs. I suggest that if we are interested in establishing adequate public transport in other centres, federal and provincial cabinets should cooperate in providing subsidies for public transport wherever it is feasible. To some extent such co-operation has taken place in connection with the rapid transit Go trains of the Toronto area. The government implemented a similar policy in the Ottawa area, ass backwards.

Instead of providing STOL service between Ottawa and Montreal, the government could have provided a better service by rail which could have served more people. The STOL service is experimental but uneconomic, as few will use it, compared with the numbers who would have used surface rapid transport facilities. The government has tried various innovations in this city, because it is the largest employer in the area and very generous with tax dollars. Ottawa has not done too badly by its major employer. The government has provided, free, many major roads in the area, particularly the better ones. It has given grants in lieu of taxes, and has helped the city to develop.

What is true of Ottawa is not true of other parts of the country. I imagine that in your community, Madam Speaker, few people have access to subsidized public transportation and must drive their automobile to work. They drive because their car takes them where they want to go when they want to go, whereas public transport does not, and the same is true of 80 per cent or 90 per cent of all our areas.

If a ten cents charge is imposed on gasoline before it reaches the retail level, the price will be increased by more than ten cents. It will go up by 11, 12, or 13 cents, or by whatever mark-up the distributor normally adds to the tax. The mark-up of the distributor and the retailer will be added to the tax. When the motorist gets to the pumps, the tax will no longer be ten cents a gallon. An hon. member opposite represents an area where there is a refinery. I am sure he will agree that gasoline prices differ considerably from one community to another in his area.

● (1640)

North Bay is 100 miles south of New Liskeard, where I live, and Timmins is 135 miles north. The people in both these communities pay a lower price for gasoline than those who live in New Liskeard. In my community gasoline costs over 80 cents a gallon. In some communities it sells for up to 20 cents a gallon less.

If the minister wants to be fair he will use the newly established Petro-Canada to ensure that the price at the pump is fair to everyone. If someone must pay ten cents a

[Mr. Peters.]

gallon tax and someone further down the line must pay 20 cents, the tax will be unfair. That is what usually happens in those areas where jobs are scarce, the automobile is an absolute necessity, and long distances are travelled either for utility purposes or for transportation to and from a job.

Many people in my area travel 150 miles a day. Many people who work in the city of Toronto have to travel 80 or 90 miles per day because they cannot afford housing in Toronto. I have a son who lives in Alliston and works in Toronto. It is a 50 mile trip one way. Therefore he must travel 100 miles a day to and from his place of employment. How much must now be added to his cost of maintaining a job?

I presume the Minister of Finance will say that the reason he is putting on this tax is not for the money but to assist in conservation and to equalize the price of gasoline across Canada. However, it will not meet that purpose. It will provide money, but not equality. It is a very unfair tax. It causes more disparity and greater inequality.

Most members are very interested in the distribution and conservation of energy. They would be much happier if the recommendations made at the first minister's conference a few months ago were adopted, especially that of the premier of Saskatchewan. He recommended that there be an increase, and that the revenue be earmarked for the development of additional resources and increased productivity in the industry. He recommended that the government participate and ensure that the moneys are so invested.

Yesterday the argument was made that if the reserve dividends, taxable moneys which are held back by the companies for various reasons, were put into development, it would not be necessary to talk about socialism and the need for government to participate. For years this was true. Whenever the companies drilled four or five wells, they had a big producer and made a lot of money. They were able to write off their losses. Business was good. However, there has not been any development of any size in this country for years, with the exception of the tar sands. There has been drilling in the Arctic where there is a lot of gas. However, commercial oil production in the Arctic has been very limited. It certainly does not warrant a refinery in that area in the foreseeable future. It is doubtful whether the quantity of Arctic oil will be sufficient to play much of a role in the next 20 or 30 years.

Every tax that is applied across the board lends itself to abuses. However, when rebates are given to the self-employed, commercial enterprises, and others who consume gas in a business sense, this creates a very great inequality for those who must use their automobile, not as a luxury but as a necessity.

In many parts of northern Ontario the mines were closed. The people who lived in those communities wanted to stay there. Their families had grown up, community life was highly satisfactory, and the social capital had been paid for long ago. These people were forced to get jobs outside their communities. This involved driving long distances. In fact in Ontario laws were passed to the effect that you could not build around new mining developments, but had to live in existing communities.