

*Excise Tax*

What else does it do? If the value of the Canadian dollar drops relative to the Swiss franc, or relative to the currency of a number of countries from which we import materials in the sub-group within the CPI, that will result in an increase in the price here in Canada. If, for example, by implementing the PGRT there will be an increase in fertilizer costs and in chemical costs to farmers, which will result in an increase in the price of grain, which will then mean an increase in the price of beer and food—and the same applies to products of the vineyards—this will result in an increase in the sub-group within the CPI which will bring about an increase in terms of the taxation levy on those commodities.

● (1420)

We are introducing the PGRT, on the one hand and guaranteeing, on the other hand, that the taxes we levy on certain beers and on tobacco will be increased. We are guaranteeing it. This gives the government a vested interest in inflation.

**Mr. Young:** And it never has to be accounted for publicly.

**Mr. Riis:** As my colleague the hon. member for Beaches (Mr. Young), says, it never has to be accounted for publicly. It is a way to sneak in or bootleg tax in behind the scenes. The government never has to appear before Canadians to tell them this tax is to be raised. Canadians will never know.

A very reasonable request was made by the Alberta natural gas co-ops. Because of their complex procedures and the time it takes to send out bills and get them back from our post office system, the co-ops said they want to have 90 days to submit their taxation payments. They said they would pay the tax. They said they do not like it, but they said they would pay it. However, they want a 90-day period. Otherwise they have to go to the banks and borrow at exorbitant interest rates. All hon. members of this House will agree that interest rates are exorbitant. The co-ops will have to borrow from the banks to pay federal tax.

The Tories and New Democrats in this House agree that this is unfair. It is an unfair requirement of the gas co-ops of Alberta or anywhere else. Let us give these people 90 days to pay their taxes. Surely that is not an unreasonable request, yet hon. members opposite unanimously said no. They are going to force these people to go to the banks of Canada to borrow money at very high interest rates—the highest in Canadian history—to pay their federal taxes.

**Mr. Orlikow:** They claim they are friends of co-ops.

**Mr. Riis:** And they claim they are friends of co-ops in western Canada and elsewhere. What a myth!

I want to refer to the motions put forward last night respecting the creation of ethyl alcohol. The creation of ethyl alcohol on the farms of this country makes nothing but good sense. Other countries around the world are demonstrating leadership. In their efforts to bring about energy self-sufficiency and in their efforts to reduce costs for transportation fuels, they are encouraging farmers to use their marginal agricultur-

al lands to create alcohol for use as transportation fuels. Is that unreasonable?

I understand that before the end of this decade Brazil plans to have virtually 100 per cent of its transportation fuels coming from ethyl alcohol derived from converted vegetable material. Brazil is taking energetic steps in this regard. Canadian farmers need an alternate source of income. They need to take advantage of land which is not used to produce food. Their marginal land could be cultivated, and crops which could be converted into ethyl alcohol could be grown. Why not? This government has just completed a series of examinations of alternate forms of energy. Why not say to the farmers of western Canada and other parts of Canada that this is an opportunity for them to grasp? The government should want to provide this opportunity for them. However, there has been no consideration of that at all.

Finally, I want to mention a provision in this bill which, quite frankly, is unacceptable. That provision is the tax on dynamite used in the construction industry. As a member from British Columbia I am very aware that when townsites are built a great deal of blasting is required in order to provide the infrastructures for factories, houses, warehouses and so forth. Dynamite is important to the construction industry. Construction components have traditionally been exempt from federal sales tax, and this has encouraged the industry. I credit the government for that, but why are we changing it now and telling contractors who use dynamite, which is a major component of their construction costs, that dynamite will now be taxed? Why is the government making this change and moving to tax that construction component? We will listen anxiously to hear why on earth we have selected one construction component and left other components exempt from federal tax.

I have left my most challenging comments for the end, and I know others will take this up. I see that my time is drawing very near to an end, but I want to mention the marginal manufacturing tax. In principle we agree that, in order to encourage Canadian manufacturers, this marginal manufacturing tax makes sense in certain areas; there is no question about that. But the way it is implemented is indicative of the approach of this whole piece of legislation.

One day some people in my riding received notices saying that they were now manufacturers. They were probably not aware of that, but they were told they were now classified as manufacturers. They were told they could not take advantage of manufacturing grants by the federal government but that for taxation purposes they were marginal manufacturers and should change their prices because of this additional tax. They did that.

Four days later they received another notice saying that the government had made a mistake and that there were changes and so forth. They telephoned their member of Parliament asking what was going on with this marginal manufacturing tax. I had to say that I was not aware of the details. I told them to telephone their regional taxation office, which they did. The regional taxation office was also not aware of the details. Here we are imposing a tax and asking people to