

Excise Tax Act

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I listened the other evening to the hon. member for Grenville-Carleton (Mr. Baker) who has just resumed his seat, and I must say that if I did not know his political affiliation I would be sure I was listening to a New Democratic member of this House.

Some hon. Members: Oh, oh!

Mr. Rodriguez: Mr. Speaker, this has been an Alice in Wonderland performance. Sometimes in this House I wonder if I am not really in an Alice in Wonderland situation. We have listened to the member for Grenville-Carleton defend the working people of this country. He is from the province of Ontario in which there is a Tory government. We know that there is only one other government that is worse than the Tory government of Ontario, and that is the Liberal government which sits across the aisle. For the hon. member for Grenville-Carleton to castigate the Liberals for the kind of mean legislation they are introducing, which will ride heavily on the backs of the people of this country, is to forget that the Ontario Tories are permitting Ontario Hydro to apply for an increase in hydro rates of 25 per cent. It was scaled down from 40 per cent, the original request, but there is no justification for such an increase.

To forget this is to forget that the Ontario government has done nothing about urgent policy in the province of Ontario. They got into a tremendous hassle about the magnetic levitation program. The exhibit from West Germany is sitting there in the Canadian Exhibition grounds, a complete white elephant. The only thing I think of when I think of levitation is that it should be used against the Liberal government and the Ontario Tories to levitate them right out of office. As a matter of fact, Mr. Speaker, the project to which I referred was so costly that even West Germany—which handles inflation much more successfully than does either the federal government or the government of Ontario—found that it could not afford to continue that kind of experimental program.

It is to forget, Mr. Speaker, that the province of Ontario takes 19 cents on every gallon of gasoline for the provincial coffers. If they are so concerned about the consumers of Ontario, and indeed of Canada, the government of Ontario should take less in provincial taxation from a gallon of gasoline. It is to forget that the same government of Ontario, with which the hon. member for Grenville-Carleton is connected by virtue of his party affiliation, shows no concern whatsoever about the workers of Elliot Lake. Year after year they were supposed to let the union and workers know the condition of safety and health in the uranium mines of Elliot Lake. But perhaps we ought not to forget that Steven Roman happened to run for the federal Tory party and that he owned Denison Mines. One wonders whether there was not something more than mere accident in that situation.

● (1620)

It would seem cynical for a federal Tory to stand in this House, especially if he came from the province of Ontario, and castigate the government, but it is no more cynical than the latest budget brought down in Ontario which cuts sales tax from 7 per cent to 5 per cent but only until

[Mr. Baker (Grenville-Carleton).]

after the next provincial election. I suggest that is even more cynical than this budget bill that we are debating. Members on the Conservative benches know that very well. I have always suspected that there is no difference between federal Liberals and Tories and provincial Liberals and Tories. It seems to me that only one class of person benefits from their administration, and that is the person who owns a corporation. Certainly the working class of this country does not benefit.

Mr. Muir: You don't know what you are talking about.

Mr. Rodriguez: The hon. member says I do not know what I am talking about. He comes from the east coast, and should know.

Mr. Muir: I will be telling you in a few minutes, too.

Mr. Rodriguez: I hope so, but do it in your own time. The minister has given two reasons for this ten cents per gallon tax on gasoline for personal use. First of all, he said the primary purpose was to bridge the gap between compensation payments and the oil export charge revenues, which has grown rapidly. This excise tax is supposed to yield \$350 million in the current fiscal year. One ought to ask the question: Why has there been this disparity? What caused this disparity in the first place? The only answer I can come to after looking over the situation is that there has been mismanagement by governments both past and present, Liberal and Tory.

We must also not forget that there has been collusion on the part of the corporations of this country who supply and distribute oil. It seems to me we cannot ignore the fact that there has been collusion on the part of the large, multinational corporations in this country. Indeed, it should be noted that in a recent Supreme Court case in Nova Scotia, evidence came out which was rather revealing. For example, Imperial Oil legally avoided paying Canadian taxes and socked up the price of its products to the consumer. The operations of Imperial were only a sidelight. Imperial Oil brought a \$100 million action against the Nova Scotia Power Corporation, which was dismissed, but the mass of information collected in the case gave a glimpse of how Canadian subsidiaries of U. S. oil corporations—in this case Exxon Corporation of New York—run some of their affairs.

For example, it showed that Imperial used a token Bermuda company to skim off \$35 million of profits on Venezuelan crude oil over a five-year period and then transferred the profits to Canada tax free. It also showed that Exxon Corporation exercises tight control over Imperial Oil's supplies and the decision as to what prices will be paid is made in the Exxon executive offices in New York, not by the executives of Imperial Oil in Canada. It also showed that Imperial was instructed by the Exxon division in June of 1973 to raise crude oil prices, and the instruction suggested that the increases coincide with those set by the oil producing countries. This led Mr. Justice Hart to comment that "the ultimate decisions rested with Exxon Corporation". It appears that by eliminating the gap between the compensation payments and the revenue collected from the export tax, the government will eliminate a visible reason for investigating the questionable practices of the oil companies.