the time I have been here because, usually, governments—whether it is this government or the previous government—have been perhaps a little reluctant to admit they have made mistakes. Every time we found a serious discrimination in the application of the law with respect to the regions, the Senate, almost unanimously, indicated that it would remedy that situation. Honourable senators, there is absolutely no question that that is what we are faced with tonight. I suggest to honourable senators opposite that they think about this seriously. The government is not even doing what it stated it would do; therefore, you have a serious obligation to amend the bill and send it back to the House of Commons so that the government can at least keep its word.

● (2150)

It is implicit in the government's position and in its statements with respect to the GST that basic necessities are to be exempted. The list includes basic groceries, prescription drugs and certain medical devices, as Senator Barootes has pointed out, day care, medical services and water. Why did the government stop there? In Canada's climate, is heat not a basic necessity? I do not care whether one lives in Alert Bay, Old Crow or Toronto, surely we understand that in North America north of the 49th Parallel some fuel is required to heat residences for a large part of the year. If the government believed that it was going to exempt basic necessities but then included fuel, surely it made a mistake and overlooked fuel. In my view, it is ludicrous even to think that, for people living in Canada, heating a house is not a basic necessity. That is what we are asking you to consider tonight, honourable senators.

I do not want to repeat the arguments that low-income people will be hurt the most in terms of a percentage of their income, or that a residence with the same square footage as one built to a higher set of building standards because of higher incomes will cost more to heat on a square-meter or square-foot basis. However, that is what will happen. Not only that, but to make matters worse, 7 per cent GST will be added on to the cost of the transportation of the heating fuels. Surely hononourable senators opposite must realize that the transportation cost on fuel is a large part of the selling price, and the farther north the higher the cost. It seems to me that the problem is easy to see and to understand, because this whole tax will be based on price at the point of sale to the consumer. Therefore, everything that makes up the price, such as handling charges and transportation costs will be used to calculate the selling price and then 7 per cent will be added to that price.

Honourable senators, it is not fair. Senator Lucier made a great speech, pointing out the difference in costs as between places like Dawson and Toronto. If I remember correctly, he said that the same goods actually cost seven or eight times as much in the north as they do in Toronto.

Many times in the past several months the complaint has been laid before the Senate that in almost every aspect the GST is a regionally discriminatory tax. Tonight we are talking about heating fuel and electricity, probably the worst example of discrimination. It is the best example to prove the point, but the worst example of discrimination against various regions, because the cost of transporation is such a high percentage of the cost of fuel. I think of fuel oil in particular, but coal would be even worse, although not nearly as much coal is used for heating any more.

It is the Senate's responsibility. I cannot understand why senators opposite do not understand that fuel for heating is as basic a requirement to living in Canada as almost anything else, such as basic groceries, certain medical devices, prescription drugs and water. One needs to buy fuel for heating to live in Canada. Therefore the tax is regionally discriminatory.

The point has been made that the situation is exacerbated by regional considerations, because the further north one goes the longer are the periods of darkness and cold. No reasonable member of the Senate would deny that. Yet the way this tax is structured and designed exacerbates the problem.

If the tax had been applied on litres of fuel oil and was the same for everyone in Canada, north, south, east and west, there would be some justice and people would pay essentially the same federal tax on the same thing; but that is not the situation. At the refinery in Edmonton, Sarnia or Montreal the fuel is a certain price. I will not go into how fuel is priced, but everyone knows that it is based on the market price using west Texas intermediate crude, and freight is added or subtracted along the way until it comes into the refinery. Fuel is based on the market price and all the other factors are included. The further north the oil is transported, the higher are the transportation costs, and more fuel oil is used in the north. In some parts of Canada for several months there is no daylight at all. Averaged over a year, in some areas houses would probably require two or three times as much electricity for lighting than houses in other areas of Canada, and in addition, the winter is much longer.

Honourable senators, that is not fair. Senator Barootes suggests passing the GST and amending it afterwards. But that is not the job of the Senate. After we have identified severe regional disparities, those disparities should be corrected. Tomorrow afternoon, honourable senators, you will have an opportunity to correct one of the severe injustices in this bill. I plead with you to take up your responsibilities. It will not be the end of the day for the Conservative government, or for anyone else, to bring in a bill and have the Senate correct a few things. Someone stated that it was not done before 1984; but it was done before 1984.

Senator Lucier: Many times.

Senator Olson: Many times we found inequities and in most instances the government would listen and make adjustments. Senator Murray has been here long enough to know that happened.

Senator Murray: Before the disappearance of prestudy.

Senator Olson: So you are going to penalize everyone because there has been no prestudy. Senator Murray knows as well as I how he abused prestudy until it stopped. Why does he not admit that?

Senator Murray: Abuse? How?