

increase retail sales and create the favourable setting for many thousands of new jobs. With the high unemployment in Canada today, a reduction in the price of gasoline will go a long way to help Canada get moving again.

Mr. Gimaiel: Mr. Speaker, what does the Hon. Member think about some provincial policies on sales tax on fuel, especially in Quebec and Ontario? In Quebec the sales tax at the pump is 30 per cent and I believe it is a 20 per cent sales tax at the pump in Ontario. I am interested in knowing the Hon. Member's opinion about those provincial taxes.

What is the effect of those taxes on the senior citizens of this country who, as the Hon. Member said, are the most affected by those taxes and the high price of some energy sources, especially when those taxes are not particularly meant to help the country become self-sufficient in oil and gas but are meant to bring more money to provincial government assets?

Mr. Hees: Mr. Speaker, as the Hon. Member knows, taxes have to be raised to pay for the many things that Canadians need in the various provinces of Canada. The provincial governments have used taxes on gasoline and oil to help raise the money that all of us very gladly use. In 1980 this four cents a gallon tax was passed by the House. The Opposition agreed to it. As long as it was being used for the purpose for which it was specified, to pay for the takeover of Petrofina, nobody objected.

The Hon. Member must realize that for the last nine months there has been no justification for the continuation of this tax. There has been \$600 million taken from the pockets of Canadian car and truck owners that should have remained in their pockets, because the tax was not justified once the purpose for which it had been passed had been eliminated. That is the sum and substance of the argument. We have no objection to proper taxes being raised provincially or federally to pay for useful things. But when the purpose for which the tax was passed by Parliament has expired, there is no justification for that tax to be continued and it should be eliminated.

What I have said is that the \$600 million that has been collected by the Government could have been used to increase the pensions which desperately need to be raised for pensioners. That would have been a good and justifiable cause at that time. That is why I have asked for this \$600 million to be used in that way.

Mr. Gimaiel: If I understood the Hon. Member correctly, he is saying that this tax would disappear because it is no longer useful for the purpose for which it was passed because the Government has bought Petrofina. At the same time, I understand that provincial taxes—

Mr. Malone: That is their business.

Mr. Gimaiel: I am not speaking about royalties; I am saying that the sales tax that some provinces, Ontario for example, have on gasoline are not humane taxes. They are taxes which create inflation and increase the cost of everything that must be transported throughout the country. They increase the cost

Petroleum and Gas

of production throughout the country. It is a tax that affects all senior citizens and their needs, especially transportation needs. When the Hon. Member says that the special federal tax would be lifted, it would be mean that those provincial taxes would disappear also.

I would be very happy if the Hon. Member would let the Premier of Ontario, for example, know that the Progressive Conservative Party is against energy taxes that are not imposed to help the Government develop energy needs for the country. We would then see those inhumane taxes, especially provincial sales taxes, disappear from the country because they are very inflationary and inhumane.

Mr. Hees: Mr. Speaker, the Hon. Member is being rather tiresome and obtuse. Taxes are raised by provincial and federal governments for certain specific purposes. Tax proposals come before legislatures and are debated. If they are passed by the majorities of those legislatures they become law and the taxes are levied.

I have no objection to that legislative process going on. It is up to the legislatures provincially and the Parliament of Canada federally to decide whether or not certain taxes are justified and should be levied. As I say, this tax was passed by the House. I do not claim for a moment that we in the Opposition were in favour of this tax. As I remember four years ago, we opposed it. I said that the Parliament of Canada voted in the majority to pass this tax and make it legal. When the majority of Parliament votes for something, that is the law.

That tax was justified for one specific purpose, to buy Petrofina. Once Petrofina was bought there was no more justification for that tax being levied and it should have been cancelled. It is as simple as that.

Mr. Gimaiel: I understand, then, that the Hon. Member and his Party agree with the fact that the provincial governments can impose provincial sales tax on gasoline. That is my question. Does his Party agree with provincial sales taxes on gasoline?

Mr. Hees: Mr. Speaker, I am saying to this very obtuse Member that if a provincial legislature passes by a majority vote a law that a certain tax shall be raised in a certain way and spent in a certain way, that is exactly what is done.

Mr. Gimaiel: Do you agree?

Mr. Hees: I hope I have spoken clearly and simply. I have stated it as clearly and simply as I can. I hope the Hon. Member understands the process.

Mr. Fisher: You are evading the point.

Mr. Skelly: Mr. Speaker, in light of the contribution made by the previous speaker, would he be in a position to elaborate somewhat on the price of fuel from the point of view of competition? It is very difficult to extract any constructive comments from other members of his Party. With the Hon. Member's long experience, and I would say the tremendous contribution he has made, would he venture into making some