

Taxation

terms, the Canadian government is getting the least from the total tax base.

The hon. member is asking: How much of that money comes back to western Canada, British Columbia and the other provinces? Unfortunately I cannot give him those figures which pertain to the western fund. However, I would like to tell him that the Minister of Transport already had an opportunity to announce substantial expenditures for the improvement of transport infrastructures in western Canada, and this is part of the moneys the federal government will collect and reinject in that area.

However, the hon. member will certainly agree that within a federal system, under the principles of federalism, we cannot—and I am sure this is not what he is trying to do—balance everything we get and we give in double-entry form. I think the hon. member subscribes to the principles of our Canadian federalism, that wealth should be shared across the land, with have-not regions benefiting from the wealth of richer provinces, through major redistribution programs administered by the Canadian government.

I am also convinced that his objectives are also shared by Canadians in British Columbia.

[*English*]

Mr. Hargrave: Mr. Chairman, I have a series of five questions I hope to put to the Minister of State for Finance, but before I do that I want to say to the House that this has been a very frustrating and trying afternoon. I have very high respect for the Minister of State for Finance. I worked with him on the Standing Committee on Finance, Trade and Economic Affairs when we were revising the Bank Act and when I was involved in agricultural matters, but we are dealing with the wrong minister here today. Even though the bill is in the name of the Minister of State for Finance, these are energy matters.

When my colleague, the hon. member for Calgary South, was opening the discussion this afternoon, the Minister of Energy, Mines and Resources did come in, but he did not sit in his own seat; he sat behind it for ten or 15 minutes and visited. I think the least we could expect is that the Minister of Energy, Mines and Resources would be here to listen. He also should be able to respond. This is a very frustrating afternoon because our concerns about these three natural gas taxes are not being satisfied.

These taxes really concern me. Natural gas is part of my heritage. It is part of the heritage of the city of Medicine Hat. It all began over 100 years ago.

My first question deals with a situation in the city of Medicine Hat. As a result of these taxes the people of Medicine Hat have already paid over \$15 million, but they have done so under protest. They have already paid, so they have done nothing illegal, but they have paid under protest. They have initiated court action on which, for obvious reasons, I will not expand now. But some of the citizens of Medicine Hat are

refusing to pay that portion of their utility bills which is due to these natural gas taxes.

● (1730)

On April 19, 1982, I submitted a petition in this House with the names of 12,689 very upset people on it. I have never seen my constituents so concerned about a punitive and discriminatory tax in the nearly ten years I have been here. My first question to the Minister of State is whether he is even aware of this petition and what is behind it. Would he comment on that, please?

[*Translation*]

Mr. Bussières: Mr. Chairman, I remember quite well that the hon. member has already drawn the attention of the House to the special case of the city of Medicine Hat and to the natural gas tax which affects the citizens of that city. His colleague from Esquimalt-Saanich tells me that my preamble is phrased in some kind of vernacular. As the hon. member pointed out, we worked together on various other bills and I will add that I am not trying to hide behind some vernacular. The problem faced by his city has already been drawn to my attention and I do sympathize with what he said. However, I understand that court action has been initiated. I think that the hon. member himself has been very cautious in his comments and it would be rather inappropriate for me to be more specific with regard to that particular case considering that it is already before the courts.

[*English*]

Mr. Hargrave: Mr. Chairman, it is not so much the case involving the city which may affect us, it is the case involving the government of Alberta which has been upheld in that government's favour by a five to one decision so far. However, that is another matter.

My second point deals with the greenhouse industry. It is a huge industry in Alberta, the fourth largest in Canada, and the heart of it lies in southern Alberta. The implications of these taxes for the greenhouse industry are such that in one year the cost of heating fuel has increased six times.

This is a 100-year-old industry which was started there because we did have at one time cheap natural gas. The percentage increases in the cost of natural gas in that industry are the highest in Canada. As an example, Redcliff Greenhouses, a firm just five miles west of Medicine Hat, paid \$9,130 for natural gas in 1979, just 1.3 per cent of their gross costs. In 1981 it had increased to \$40,000, or 4.5 per cent, and it is estimated at \$83,800 for this year, or 9.9 per cent of gross costs.

That industry is facing the real possibility of not being able to function at all next winter. If you multiply that one example by the hundreds there are throughout Alberta, you will appreciate how serious this situation is to that industry.

My second question to the minister is whether he has any feeling for what it does to an industry which was once one of the largest employers in my city of Medicine Hat.