

Adjournment Debate

make railway cars to export, and that is fine with me; about \$400 or \$500 million is guaranteed to Massey-Ferguson, that great non-winner; but it is not possible for the Minister of Transport to make available \$1.4 million, to use a figure which the minister himself used in the House of Commons, to guarantee the survival of about 2,000 people in Cape Breton, their jobs and their livelihoods.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, just last Saturday I personally visited Sydney and, therefore, I know how important this issue is to the hon. member for Central Nova (Mr. MacKay) and his constituents.

Indeed the Minister of Transport (Mr. Pepin) made reference at the time of the hon. member's question to problems encountered by CN with respect to the capabilities of Sydney Steel Corporation to produce rail which would meet the requirements of CN. But the hon. member was present at the meeting of the Standing Committee on Transport where he heard from the CN president himself who confirmed that yes, there is a contract for 88,000 tonnes of steel. But he did make it very clear that in that contract is included soft rail, hard 136 rail and the alloy type of rail.

● (2240)

There have been discussions between CN and Sysco on this matter as recently as today. These discussions are continuing. We all hope that the problem can be satisfactorily resolved. I am also pleased to report on behalf of the minister that the government of Nova Scotia has agreed, by a telex yesterday, to meet the federal government's offer to pay half of the \$1.4 million cost of advancing the 1982-83 rail order by two months ahead of the time when the shipment would normally be required by CN. I think that this is welcome news.

I would also like to indicate to the House that, as confirmed yesterday in the other place, workers who were laid off at the SYSCO plant, will, indeed, receive unemployment insurance benefits in accordance with applicable regulations.

I thank the hon. member for Central Nova for giving me the opportunity of bringing the House up to date on this important issue. I commend him, as well as the hon. member for Cape Breton-The Sydneys (Mr. MacLellan), and the hon. member for Cape Breton-East Richmond (Mr. Dingwall) for their constant interest and intervention in this matter.

ACQUISITION OF PETROFINA—COLLECTION OF TAX—(B)
CANADIAN OWNERSHIP CHARGE

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, on April 27 I received a letter from Mr. Reynolds of Surrey. He says the following:

You may not have had time to look at your personal hydro bills over the past nine or ten months, but they must be similar to mine as we both live in Surrey, although I do pay my hydro bills on an equal payment installation to spread the load and you may not.

Please peruse the attached copies of three of my hydro bills from June 81 to April 82 ("June, \$45.00, September \$66.00 and now May will be \$72.00, a 50

per cent increase in ten months"), whereas, my annual negotiated settlement ranges from 8 per cent to 12 per cent last year, over the past few years.

My hydro bills may be low compared to some, but I have spent considerable monies on insulation and doublepane windows and I do not qualify for CHIP.

This hydro bill, along with the telephone increase, the car/gas increase which is ridiculous and the general increase in all items especially food is beginning to break the camel's back. What you can do about it, I don't know but someone has got to do something pretty soon.

The taxes he is referring to are the federal excise tax and the Canadian ownership tax. The first problem with the Canadian ownership tax is the accumulated squeeze of human misery that that tax, along with other federal taxes, is weighing down on the Canadian taxpayers.

It is because of that letter and others like that, and remarks made in the House on the evening of May 16 by one of the government backbenchers regarding the Canadian ownership charge, that I raised the questions on May 17 with the Minister of Energy, Mines and Resources (Mr. Lalonde). At that time I asked:

Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Last Thursday, here in the House, the hon. member for Lambton-Middlesex indicated that while the government is collecting the Canadian ownership charge to pay for Petrofina, it might well continue to collect that tax even after Petrofina has been paid for. Could the minister tell the House if that is indeed government policy to collect that tax after Petrofina has been paid for in order to pay the purchase of other companies it wants to take over, as the hon. member suggested might be the case?

That was the question. The minister's reply was:

—that is obviously a question which the government will have to decide when the time comes.

This is not a matter which is being considered at the present time.

We do have some slightly contradictory statements between that of the backbencher, who is a former parliamentary secretary, and that of the Minister of Energy, Mines and Resources. What is common to the two answers, however, is the fact that the government is not ruling out the possibility that the Canadian ownership charge could well be collected beyond the time which the government has paid for Petrofina in full. It does remind one of that temporary tax which was placed on the backs of Canadians during the First World War. It was known as the income tax, which was also a temporary tax. All of us know how temporary that is.

It is that accumulation of taxes which loads on to the backs of Canadians the kind of human misery that is killing them. When the takeover of Petrofina was announced, the Minister of Energy, Mines and Resources said that the purchase may have to be made by the Canadian ownership charge, but no figures were given. Mr. Hopper of Petro-Canada said the whole deal would be financed out of taxes. The Minister of Energy, Mines and Resources also said that the deal would be financed over 25 months. But when the company is paid for, the average energy consumer will have paid \$130, and all of those dollars will have flooded the country and have gone back overseas to Europe. They will have done nothing for Canadian self-sufficiency, they will have done nothing to increase our energy security, but they will have continued to increase the taxes on the backs of Canadians.