

them in this difficult period, imposed a higher tax on gasoline, which means that we hold the record for personal income tax because Quebecers now pay 20 per cent more than the residents of certain provinces, such as Ontario, and we even pay more than the people of Prince Edward Island. We really are the champions as far as income tax is concerned, and with this surtax introduced by the province of Quebec on November 17, we became once more the over-all champions when it comes to paying taxes.

What was important at the time, and that is why I asked my question to the Minister of Energy, Mines and Resources, was that throughout the energy negotiations, the present Quebec government had never objected to prices at the gas pumps being the same as world prices. The question we can ask and the explanation we can give Quebecers is very simple. The Quebec energy minister has never objected to this situation because, in view of the provincial tax on gasoline, the higher the price, the more taxes can be collected. They are the champions of indirect taxation. Of course, everyone will recall that since they came to power in 1976, they have held the record in this regard. This is why, when the Canadian government talks of keeping gasoline prices at 75 per cent of world prices, the Quebec government does not complain too loudly, but it would still prefer . . . and as for supporting Alberta when it was asking for world prices, the Quebec government did not object too much because it meant that its own tax on gasoline would increase. According to these figures, Quebecers must all pay over and above what their fellow Canadians are paying. We are champions. We hold the record for indirect taxation, and when gas retailers went on strike in early April, more specifically on April 7th, we wondered just how much the Quebec government was collecting from Quebecers by means of this additional tax which was implemented on November 17, 1981, and which caused Quebecers to pay more than other Canadians. In spite of the National Energy Policy which aimed at keeping Canadian prices below world prices, Quebecers were penalized by their own government, the separatist PQ government in Quebec, and became the champions of high gas prices. It was not good enough for them to hold the record for income tax, they were made the champions of record high prices for gas; that is the reason why gas retailers in Témiscouata were right on April 7th to pressure the Quebec government into reducing and cutting this unfair tax and make all other Quebecers aware of their true situation compared to that of other Canadians. That is also the reason why I asked on April 7, 1982, what the cut was the Quebec government was taking at the pumps compared with that of the federal government and even the Alberta government.

That is the reason why the Minister of Energy, Mines and Resources provided these figures and why, returning tonight to this issue, I should like to ask the minister to provide the House with more detailed information on the share collected by each of the provinces. Are Quebecers really favoured by their provincial government, especially since the introduction

Adjournment Debate

of that notorious tax on November 17, 1981? That is my question, Mr. Speaker?

• (2205)

Mr. Claude Tessier (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, let me first explain why car owners in the province of Quebec are at a disadvantage, as far as the price of gas is concerned, compared with car owners in other provinces. That situation is due to the fact that the provincial tax on gas, also called road tax, is an *ad valorem* tax, a tax in relation to value. This means that the Quebec government increases taxes without saying so. Because, in November 1981, the Quebec government imposed a 40 per cent *ad valorem* tax on gas, twice as much exactly as the previous rate. It should be noted that the *ad valorem* tax on gas in British Columbia, Saskatchewan, Manitoba and Ontario remained at the 20 per cent rate, while that in Newfoundland and Prince Edward Island was slightly higher at 22 per cent, but only 16 per cent in New Brunswick. Better still, there is no such tax in Alberta, and the tax in Nova Scotia is levied at a fixed rate and is generally one of the lowest in Canada. Consequently, Mr. Speaker, gas prices in Quebec are the highest in Canada. For example, at the end of March, regular leaded gas in Montreal was selling on average at 45.2 cents per litre as opposed to 41.9 in Vancouver, 40.8 in Winnipeg, 40.9 in Toronto and 41.6 in St. John, New Brunswick. Therefore, the price gap between Toronto and Montreal was more than 20 cents per gallon. Concerning revenues derived by both levels of government and industry, what is the meaning of that price gap on the very high *ad valorem* tax on gas? In order to answer the question, one only has to refer to the following example. Based on a 47 cents per litre retail price in Montreal and 41.3 cents in Toronto, the Ontario government would levy 6.3 cents per litre, while the Quebec government would levy 13 cents. At the same time, the producing province would levy 5.4 cents per litre sold in either provinces. In other words, the producing provinces, Alberta in this case, would receive 13 per cent of revenues derived from sales in Ontario, and 11.4 per cent from sales in Quebec. The federal government's share of tax revenues on sales in Ontario would be 19 per cent, while it would be lower than 17 per cent of sales in Quebec. In summary, percentage-wise, the share levied by Quebec on revenues would be almost as high as the combined shares of the federal and Alberta governments levied on gas sold in Quebec.

Worse still, by reason of the high levy taken by the Quebec government on revenues, gas dealers did not even get a sufficient profit margin on sales, and that is why they went on strike early this month. This flies in the face of common sense and good government, but it is signed Charron, Parizeau and Lévesque. What else can we wait for if not for an opportunity to prove to them that Quebecers are tired of being the most highly taxed in order to pay for independence.