

*Excise Tax*

● (1740)

We would have a difficult time trying to find a tax expert or financial adviser who says that indexation of taxation is a good idea. I have had the opportunity of speaking to a number of people in the financial field. I asked how they felt about this. I raised this with chambers of commerce in my constituency, asking what they thought about this proposal. I have yet to find an individual who says that indexation of taxation is a fine idea, particularly for a government that almost on a daily basis reminds those in the opposition it wants to wrestle inflation to the ground. This seems to be a peculiar route to follow.

My colleague from Vancouver will have a great deal to say, along with other members of the opposition, about the tax on natural resources in the west, mainly natural gas and petroleum. This is very clearly an inappropriate tax.

I was very impressed when the mayor and a number of representatives from the municipality of Medicine Hat appeared before our committee. They went on at some length. Years back the city fathers of Medicine Hat felt it would be appropriate to take advantage of the natural gas deposits in their area. They developed those deposits in the interests of the citizens and the entrepreneurs of Medicine Hat. Inexpensive energy was an attraction for companies and firms wishing to move to Medicine Hat.

The representatives of Medicine Hat asked the committee to please give them some recognition. They pointed out that they are not a private company or firm, but a level of government. Recent court decisions have made it clear that governments are not to tax other governments. The city of Medicine Hat ought to be given recognition of their foresight and for the fact that they are a level of government taking advantage of a natural resource beneath them.

As one of many in the House concerned with the small business sector, and as our party critic or spokesman, I was impressed by the tales and stories brought to the committee regarding the impact of this tax on the small business sector in provinces like Alberta in particular. The large oil companies will not feel this or be bothered by it. Those who will really be hurt will be the thousands of small firms which service the oil industry.

I grew up in southern Alberta in the oil fields of Turner Valley. I know the kind of people who provide for the infrastructure of our oil and gas industry. They are not rich people. They are not, as is sometimes conjured, individuals with oil wells pumping in their back yards. These are small firms struggling to provide a service to the Canadian economy and, essentially, do a first class job.

These people tell us that levying this tax will reduce business and possibly drive them out of business. It will certainly have that result. In fact, we have already seen the beginning of it. Very impressive witnesses made presentations before the committee showing the linkage between the service firms which serve the petroleum industry and the effect this legislation will have on those small entrepreneurs. Again, this is from a

government that, almost on a weekly basis if not a daily basis, reminds us of its concern for small business.

What do they mean by that? Do they mean small business in certain parts of Canada? I do not want to be cynical or negative, but one gets the impression they are particularly interested in going out on a limb to service small business in certain parts of Canada. Let us ask for a demonstration from the government that it is in fact interested in encouraging, nurturing and recognizing the role of small business in all parts of Canada.

We will have many more comments to make as we go through the 135 amendments—my gosh—to this particular bill. I ask the minister this afternoon to remember those witnesses who came some distance and went to a great deal of effort to indicate to us some of the problems associated with Bill C-57. I ask the minister to recognize that their request is not to avoid paying taxes or avoid being responsible individuals or firms, but to stop what appear to be bureaucratic oversights. I ask him to consider that and show us in good faith that the government is prepared to listen to the witnesses and to our voices in the opposition and come forward with some recommendations very quickly.

**Mr. Benno Friesen (Surrey-White Rock-North Delta):** Mr. Speaker, I want to associate myself with the remarks of the previous speaker, the hon. member for Kamloops-Shuswap (Mr. Riis) in his sane, reasoned, dispassionate and very sensible appeal to the minister.

I was told by one of the groups lobbying the minister at the time the measure was before the committee that the minister at that time promised that if serious representations were made to him at report stage about what are apparent deficiencies in the legislation, he would give serious attention to representations in order to improve this legislation. If that message got back to the witnesses who appeared before the committee, I agree with the hon. member for Kamloops-Shuswap, they will be watching these proceedings to see whether the government is taking seriously the commitment made by the minister that he will give attention to representations made by witnesses, members of the government's back benches and opposition members regarding serious shortcomings in this provision.

While watching the news on television at home this past week, I saw a news report on the meeting of the consumer affairs minister for the province of British Columbia with a number of citizens, citizen's groups, representatives of the Vancouver city council and people in the downtown Vancouver area around Carroll Street who were very concerned about the liquor outlet store in that area. It served largely what are called the winos, or alcoholics. These people were concerned that the government store in that area was perpetuating the problem of alcoholism in that community. The B.C. minister of consumer affairs was taking notes, meeting with the people of that area, wanting to hear what they had to say in order to see whether the government store should be closed down in an attempt to provide some relief to the community on a very serious social problem there. The lesson to be learned is that