

*Excise Tax*

of the tax will create a hardship or an anomaly. In this case the tax will split the artistic community in two, and it will mean that if an artist wants his work to be regarded as tax exempt by the government he will have to work in oils or water colours, because those are the only products that are going to be exempt. When there are people working in a whole range of artistic media, it is absurd simply to say that these are the people we are going to single out.

● (1640)

My colleagues will be discussing as well a fundamental question which was touched on by the hon. member for Edmonton West and which, of course, is a preoccupation of all Canadians. That question is the problem of the system of taxation of petroleum and gas which has been imposed on the country, on the industry and on the provinces.

The other day in the House the Minister of Finance said, when he was criticizing us for one thing or another, that the government has imposed taxes on oil companies but that the government does not seem to have received very much help from the New Democratic Party. I want to say to the minister that there is a very simple reason for that. If he had listened to the representations we made at second reading, he would understand from whence flows our opposition to the notion of the excise taxes that have been imposed. Those taxes impose a tremendous hardship on the ordinary Canadian when they are not accompanied by any form of a tax credit, for which we have consistently argued for at least three years in this House and outside this House. We have argued that the government has to distribute some of the surplus it is collecting to ordinary Canadians in the form of progressive tax credits.

There is another reason as well. From one point of view I suppose the imposition of this tax could be seen simply as a tool being used in the bargaining or in the preamble to bargaining in the banana steps the government is taking as it tip-toes its way up to the clear need for an energy agreement between the producing provinces and the federal government. However, simply taken on its own, it clearly is a tax which is a complete infringement of provincial jurisdiction. It hits the little guy. It has consistently been shown, by a series of representations which we have received from a number of producers and a number of workers in the industry, to be a tax which is having a very serious effect on employment, on the level of production and on the livelihood of people in western Canada. As a representative from eastern Canada and, indeed from the city of Toronto, which is frequently regarded by many people in the west as the heart of the problem, let me say that I think there has been a caricature in eastern Canada and in the press of eastern Canada of what the oil industry is all about.

In imposing this kind of blanket tax the government has hurt worst not the large oil companies, from which we heard very few representations on the government's energy policy other than of a very general kind, but those people who provide all the service and all the contracting and other work which needs to be done in the production of oil and natural gas. As

the hon. member for Kamloops-Shuswap says, these are small business people. These are people who are not millionaires. These are not people who are simply burning \$100 bills in order to have a good time. These are people who have been put out of work by the imposition of a tax which has had the effect of hitting smaller businesses much harder than larger businesses. This tax affects the cash flows of smaller businesses more than it affects the cash flows of larger industries, and coming from a government which says that its goal is to Canadianize the industry, it is a joke because its effect will be to decrease the power of Canadian small businesses in the oil and gas field and to force them to sell to multinationals. I think the evidence shows that the government has been quite prepared to subsidize multinational companies, but has not been prepared to do anything to stimulate growth in a real way in the Canadian small business sector.

In closing, I will take just a couple of minutes to indicate one other basic fact of life with which we have to deal at the present time, and that is that there is an extraordinary sense of uncertainty and unease about developments in the modern economy. I am referring specifically to the problems of inflation and interest rates. These are problems which eat at the heart of any stable and healthy economic system. These are phenomena which hit the ordinary Canadian very hard indeed, and these are problems which I think provide the basic background to our discussions today.

If I may say so to the minister, any proposals which have the effect of increasing the cost for small business at a time when it is hit by the extraordinary effect of high interest rates are misdirected and are of no help to the economy at the present time. Any proposals which have the effect of making it more difficult to achieve the kind of energy agreement which would be livable for all Canadians, producers and consumers—and we simply have to find a way of living together and providing for the just claims of both producers and consumers—are simply regressive and are an exercise in useless and fundamentally destructive rhetoric which is of no help in finding a solution to this problem.

Very fundamental challenges are facing the country in finding a solution to the problem that we do not have an energy agreement and to the problems of inflation and high interest rates. As I have said on many occasions, it concerns me deeply that the Prime Minister (Mr. Trudeau) cannot find it in himself to become concerned about issues which really affect the cost of living, the cost of working and the cost of providing for the basics of the Canadian family. I regret that that is the case, but I look forward to hearing some productive indications from the minister that the government is prepared to accept some of the proposals we have put forward which, in our view, would provide for a more progressive and fairer excise tax system in this year accepting, as we all do, that the government is going to be producing some major changes in the excise tax system and that this is something which we will be debating next year.