

Government Orders

• (1520)

I want to come back to the increased price of gasoline for a moment. The largest centres on Prince Edward Island, Summerside and Charlottetown, are both outside my riding. This means a lot of people in Malpeque have jobs in those areas and have to commute to work. The extra two cents per litre will mean that the average Island motorist will now pay at least \$400 a year in federal and provincial taxes. It will mean that those who commute will have to pay double that amount, according to the Canadian Automobile Association.

That is the reality of rural living. That is what this means for the people of my riding. We have lost our VIA bus which means that 27,000 people who took the bus last year between Charlottetown and Moncton will now have to find another mode of transportation. This also is going to mean that we are going to have more cars on our overcrowded roads and more tax revenue going into government coffers.

While commuters face a tough time filling their cars with gasoline, including many who use car pools, the trucking industry is one industry that has really suffered and will continue to suffer as a result of this Bill C-20. Transportation firms have been asking the government to eliminate the excise tax because it discriminates against the long haul movements, thereby distorting regional economies.

A spokesman for Canadian Pacific said: "Transportation is a necessary input to virtually every business and service in this country". They maintain that by increasing the excise tax, which businesses cannot and will not be able to claim as an input credit, the government is discriminating against the trucking industry.

When the government imposes higher transportation costs as a result of the increase in fuel taxes, the basic price of goods, and therefore the tax paid on them, will be higher in places like Prince Edward Island. What this will mean is that people living in more remote regions will pay more tax than those living in central Canada. As my colleague from Yukon stated earlier this morning, this is simply unfair. This is not what I would call a balanced approach that takes regional considerations into account and imposes the heaviest burden on those who are most able to bear it, as the government claims.

To sum up, Bill C-20 in my opinion delivers just the opposite of what the government is suggesting. I contend that by increasing the tax on gasoline and other goods and services this government is hurting the regional economies like Prince Edward Island and people with lower incomes, many of whom can be found in my riding.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to have an opportunity to speak to Bill C-20 because it has two very important provisions in it, clauses 4 and 5, which relate to regional economies, as the hon. member from Prince Edward Island has just outlined, and the massive increase in the excise tax on gasoline of two cents last April and one cent on January 1.

The impact of that amounts to some nine cents a gallon and is a pretty hefty increase in the price of gasoline. It had a lot of distorting impacts across the country, particularly in border cities like Sault Ste. Marie where we have literally hundreds of thousands of cars every week lining up to go across to the United States to fill up their tanks with gasoline there. That is harmful to our economy and the industry in that community.

The same thing has happened in other communities such as Fort Frances and other border cities across the country. But that is only one impact. The amazing thing is that somehow that industry is able to have its gas delivered from Canada to the United States. It is 55 cents and 57 cents a litre on the Canadian side and it is something like 32 cents or 35 cents a litre on the American side. Yet it comes out of the same tank. A lot of that of course is due to this increase in the gas tax, so that is of great concern. But that is only one aspect.

The really harmful aspect, I think, is on tourism and on the cost of living in regional areas of our country where one has long distances of 40, 50 or 60 miles a day to travel to work in whatever industries are available for employment. I think that this is a very serious and unfortunate increase in the excise tax on gasoline. These amendments seek to correct that problem.

The second area is the removal on January 1 of the refund of the excise tax. There has been a provision that rebates could be provided to farmers, to loggers, to fishermen, and to other primary industry producers. For agriculture alone it is estimated that it will cost about \$100 million in the first year, which will be 1990. I think