

Excise Tax

form or another. If one does not use gas, one uses oil. It is a requirement; and yet this government sees fit to tax it.

My colleague, the hon. member for Etobicoke Centre (Mr. Wilson), referred to people from Alberta who came down and pleaded with our committee, with the minister and with the cabinet not to tax natural gas, but that if the government was bound to go ahead with it, to please give them at least 90 days to collect the tax rather than force them to borrow money at the bank to pay the tax to government before they even had an opportunity to collect it. Your Honour is a fair-minded person and I am sure that you would agree with me that it is deliberately dishonest for a government to do that to a segment of our population.

The hon. member for Sarnia-Lambton just said that it was discriminatory. I would ask the minister what other piece of legislation has this government or any government ever put in place which forced the people involved to pay the tax before it was collected? I am sure it has never happened before. It is wrong. I am simply amazed that the government would not give some consideration to that aspect of the bill.

Further, as I said, the tax in the bill itself is inflationary. At this particular time we hear cries for help. I see the chairman of the Standing Committee on Agriculture in the House this afternoon. He knows the situation of farmers. The Ontario Federation of Agriculture made a presentation to us. They explained the serious condition which farmers are in financially. What does this government do? It puts a tax on natural gas so that the price of chemicals will go higher. Does that make sense? How can the government go back and face its farm friends when it is doing that? It was stated earlier today that as far as costs are concerned, fertilizer is just going through the roof. Fertilizers use natural gas as a base and so do chemicals. The deputy minister of one department in this government, the Department of Agriculture, has stated that the farmers will have to increase production 50 per cent in the next ten years. I have news for Your Honour. I will wager that the farmers will not be in a position to do that if the government continues to allow these costs to escalate as it is doing. It is not only allowing this to happen, but it is also causing and creating the problem. Farmers have enough problems with weather, climatic conditions, high cost of machinery, repairs and labour. However, when the government puts an excessive load on, it changes what it is doing. It changes its plans. Everyone will suffer as a consequence.

● (1720)

I do not plan to take too much time this afternoon, Mr. Speaker, as I know my colleague from Medicine Hat (Mr. Hargrave) wants to speak along the same lines. I wanted to bring to your attention and that of hon. members opposite what is happening to the agricultural industry in the province of Alberta. Not only will Albertans suffer, but farmers across Canada will suffer. The Alberta Gas Co-operative is the group that will be hurt by the imposition of this tax when it turns out that they have to give it to the Department of National Revenue prior to having collected it.

At this late date, I hope that the minister will change his policy and give a little bit of relief to those who are going to be hurt the most.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I want to say a loud "hear, hear" to the remarks of my colleague, the hon. member for Red Deer (Mr. Towers). I also want to indicate to the House why this party is opposed to the export tax on natural gas, why it is opposed to the government's general taxing policy on natural gas, and in particular I want to deal with the problem of the co-operatives.

As has been indicated, this party has moved an amendment which would require the government to give an extra 90 days to the Federation of Alberta Gas Co-ops Ltd. and to other co-operative enterprises, so that they will not have to borrow from the banks at 23 per cent or 24 per cent, or from the credit unions at a little less, in order to pay their taxes.

With respect to the amendment moved by my colleague the hon. member for Vancouver-Kingsway (Mr. Waddell), we are concerned that the government is, in a sense, doing two things. First of all, it is relying for a substantial amount of revenue on a commodity which, in our view, should not be exported in such amounts.

Second, in an incoherent, a selective and discriminatory way, it has chosen to levy a tax against the export of natural gas but not against the export of anything else. I want to correct that statement, Mr. Speaker; there is a tax on the export of oil. At this time in our history, when the tensions between producing provinces and consuming provinces are as great as they are, to say that we are going to single out a commodity which is of value and importance to producing provinces and tax it, but that we are not going to tax the export of hydro-electricity, for example, is unwise. Imagine the consequences in the province of Quebec if the federal government decided to export hydro-electricity! Imagine the consequences in the province of Ontario if the government decided to tax the export of hydro-electricity!

What makes it so clearly discriminatory is that in that part of the country where the government has no support, no political base, no constituency that it is afraid of alienating, that is where it decided to go after the tax on exports. If the government had decided that all exports of energy would be taxed, I would have thought it would do it in a way that is fair. But the government is responding to its own immediate, short-term political interests, its own immediate, short-term political constituency.

I do not challenge the legal or constitutional right of the government to tax an export. Of course it has the legal right to do that. But if it taxes things in a way that is discriminatory and that is bound to increase the feelings of tension and hardship that exist between and among Canadians, then it should be condemned. The government deserves a chance to change its mind, which we are attempting to do this afternoon in this vain exercise of trying to get it to move.

I do not want to deal in any detail with the National Energy Program or to the taxation PGRT problem and its effect on