

*Government Orders*

I hear all the time from the other side of the House about how caring the members are, that they are not hard hearted and without compassion like the Reform Party, that they care about the human deficit. I have never heard such arrogant hypocrisy in all my life. They do not have the market cornered on compassion or caring. The very reason I became involved in the profession with the lowest regard in this country—at least outside of this place—was simply because I care and I am compassionate. I care very deeply about the things the Liberal and Conservative governments have done to the future of my children and my grandchildren in the last 30 years. That is not caring and compassion. It is selfishness. It is the me generation saying that not only will the next generation, my kids and my grandkids, have to look after themselves but the next three or four generations will be paying for the greed of this generation. That is not caring and compassion. It is the me generation.

• (1555)

Today we are debating Bill C-90 which is about tax increases. The area I wanted to talk about specifically is the 1.5 cent a litre increase in tax on gasoline. For the last 30 years every time there is a cash crunch, a squeeze, governments have turned to the cash cow, the sin taxes on alcohol, cigarettes and gasoline. It turned in a big way to gasoline in the last budget to make up the shortfall.

The finance minister made a commitment to have a ratio of tax increases to expenditure cuts that was not in the red book. As I mentioned earlier, the red book said no increase in taxation. Now we have moved to a commitment to keep it in balance, so many dollars of cuts to so many dollars of tax increase. That is a serious betrayal of an election promise.

We still have the GST that applies on top of the 1.5 cent per litre tax increase. That is the GST that was supposed to be gone. Therefore, we have a double tax increase on gasoline.

It is important for members of the House to remember where the excise tax on gasoline started. It was back in 1975 when a Liberal government placed the excise tax on gasoline. It was a special tax. It was the first time an excise tax was applied to gasoline and was to be a one-time tax. How many times have we heard that before?

This one-time tax was to cover the gap between oil import compensation payments and the oil export charge revenues. In turn, this compensation system was as a result of the 1974 decision to maintain domestic oil prices at levels below world prices.

In essence, the federal government of the day had adopted a made in Canada oil pricing policy which saw the proceeds from an export tax used to protect consumers of imported oil from the full impact of the international price. A noble intent I am sure.

As we so often experience with taxation, we are shown that taxes which are meant to be one time or special or temporary, quickly have a habit of becoming permanent.

One must only refer to the imposition in 1917 of a temporary income tax and see where that has gone, how temporary it was and how complex and expensive it has become.

The same is true in every sense about the excise tax on transportation fuels. The excise tax has remained in place and its revenue objectives certainly have changed. The tax is no longer used for what it was originally intended but the tax remains and continues to be increased by 2 cents, 1 cent, 1.5 cents every budget that is presented in the last number of years. Obviously it has changed from a special tax for a specific purpose to a general tax for a source of general revenue.

In the last session of Parliament, in the natural resources committee of which I am a member, the members of the NDP introduced a proposal for the committee to study gasoline pricing in Canada. They thought there was some bogeyman causing the price of gasoline to be so high when we were facing a surplus of oil on the international market and low prices for crude oil.

It does not take a genius to look at this. There have been numerous studies over the last number of years that the bogeyman in this scenario is the government. If we look at the price of gasoline in Vancouver at 59.6 cents per litre, 28.9 cents goes directly to provincial and federal taxes. That is not oil royalties or corporate income tax, that is simply gasoline taxes hidden at the pump. The 28.9 cents leaves the remaining cost of that litre of gasoline to cover the cost of exploration, production, marketing and refining and only another 3 cents to the dealer for his costs and overhead.

• (1600)

We can give example after example of a gasoline price. The figures provided by the government's statistics for Calgary shows the price of gasoline is 52.3 per litre; 22.4 cents of that goes directly to governments in taxes, leaving only 3.5 cents for the dealer to cover his costs, with the remaining going for exploration, refining and marketing. I have example after example of almost 50 per cent of the cost of a litre of gasoline everywhere across the country being the tax on gasoline by government.

We continue to have these kinds of tax increases rammed down our throats with no choice. Because they are hidden they are often put in and the consumer does not realize the taxes have risen. The cost increases which we have seen so dramatically in the last number of years are not the result of the oil companies' getting together to fix the price of gasoline. It is the result of governments starved for cash continually coming back to that cash cow.