

Oral Questions

say at this time is that the Government is studying the problem. We are aware of the problem, and it is not an easy one.

REQUEST FOR TAX CUT

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my supplementary is directed to the Minister of Finance. Understanding the revenue and tax policies on energy of the Liberal Government, the Minister will understand that the petroleum compensation charge of about \$7 per barrel, and the natural gas and gas liquids tax which are being imposed on this industry now, are the reason that they are non-competitive and face real danger in terms of survival.

If the Minister would eliminate those two portions, the petroleum compensation charge and natural gas and gas liquids tax, on just that 5 per cent of the energy resources which Canada uses for petrochemicals, then he would lose \$125 million of tax revenue, but he would achieve an additional \$300 million in increased personal income tax, and another \$200 million in retail tax, sales tax, and unemployment insurance benefits which he would not have to pay. In addition to that, there would be corporate taxes. There would be a net benefit, therefore, of at least \$400 million. I would like to ask the Minister of Finance if he would consider removing those taxes on just that 5 per cent of the energy resources which are used for that industry, thereby helping the industry to survive, creating jobs, and reducing the federal deficit by \$400 million?

[Translation]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, a number of factors are involved in the difficult situation now facing the petrochemical industry. According to the Hon. Member, the gas-based petrochemical industry is not facing the same difficulties as the oil-based industry. International factors are also involved, at this time, and I think the Hon. Member was somewhat hasty in his analysis of the situation.

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● (1450)

[English]

ENVIRONMENTAL AFFAIRS

POLLUTION OF NIAGARA RIVER—POSITION OF UNITED STATES ADMINISTRATION

Mr. Jim Fulton (Skeena): Madam Speaker, my question is directed to the Minister of the Environment. I am sure many Members of this House noticed some of the headlines the Minister got yesterday, such things as "Leakage Turns Water into 'Toxic Brew'", "Ottawa Starts Study of Poisons in Water", and "5 Million Lives at Risk". However, I do not think too many Members of this House are aware of the fact that these same kinds of headlines have been coming out as the result of studies since 1973, particularly in relation to the S-Site Dump and others along the Niagara. It seems to me that adding another volume to this coroner's inquest is just a

continuation of the kind of criminal negligence with which various corporations are treating the Great Lakes water supply.

Will the Minister tell the House whether or not he has received one shred of evidence from the U.S. administration that they intend to spend one dollar in the coming year on cleaning up S-Site, or are we once again doing all kinds of scientific work on behalf of a bankrupt administration in the United States?

Hon. John Roberts (Minister of the Environment): Madam Speaker, the information which I announced yesterday is relatively new information which is coming to us—the studies of the S-Site Dump in terms of the potential migration to Canadian territory from fill on the American side. This is new and disturbing information.

As far as the second part of the Hon. Member's question is concerned, yes, through the Niagara Toxics Committee, established well over a year ago and which includes the Consultation and Liaison Committee, there are indications that the American Government is taking this issue very seriously. The whole matter of cleaning up the S-Site, as perhaps the Hon. Member knows, or certainly should know, is now a question which has been looked at in terms of negotiations preliminary to the court process in the United States.

REQUEST THAT DELEGATION APPEAR BEFORE UNITED STATES CONGRESS

Mr. Jim Fulton (Skeena): Madam Speaker, there is a real question of credibility here. Just recently the Environmental Baseline Study on the Niagara River came out and Dr. Berkes, who teaches environmental studies at Brock University, had the following to say concerning that:

Assurances that drinking water meet government standards are misleading and irresponsible.

Almost two years ago an NDP Committee travelled to New York State and were the first people ever to meet the responsible New York legislators. We know it is going to cost hundreds of millions of dollars to clean up the S-Site Dump. I would like the Minister to explain to this House why Canada is spending millions of dollars doing studies on this carcinogenic and mutagenic material going into our drinking water? It is from U.S. chemical companies, it is on U.S. soil, and Reagan will not do anything about it. Why are we spending the money? Why don't we send an official delegation down before Congress and tell Congress how we feel about being poisoned?

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of the Environment): Perhaps if the hon. gentleman had listened to my first answer he would realize it is not a phenomenon which is occurring entirely on United States soil, but it is now invading Canadian territory as well. That is why we are doing research on Canadian territory, to assess the impact so we will be better able to respond.