

Taxation

we wanted to help support Canadian companies in the industry as much as possible. We thought it terrible that such a vital industry as oil and gas should be 70 per cent controlled by foreign companies, mostly American. There was a lot of good will. Perhaps I was in a unique position to look at this as I represent a western Canadian riding, unlike most hon. members opposite, and also have a consumer's point of view. After two years we have the worst of all possible worlds. We have high prices continuing to go up, with both the Liberal and Conservatives being high-priced parties, with nothing coming back to people who cannot afford to pay those prices. There are no grants, tax credits or whatever.

There is a second problem which I have been told about by members of the Canadian industry. The minister can see that the president of Sulpetro and his assistant are in the gallery. He might talk to the president afterwards. I am told that the Canadian companies are not being helped. In fact, Canadian companies have suffered dramatically and drastically in their cash flow.

● (1550)

I say to my friends on the right that it has taken me a while to see that but I am starting to see it. The big companies like Imperial have been able to survive the National Energy Program. They can ride it out. We have the worst of all possible worlds.

I want to put my question to the minister on the basis of what I have just said. First, I am informed that the natural gas and liquids tax which is levied after the gas has reached the city gate represents a tax on gas consumers equal to about 65 cents of the burner tip price of \$5.51 per MCF. This tax, plus the general gas price increases, has meant the following increases for home heating with natural gas, and I cite these costs: In Ontario, in the winter of 1980-81, the average home cost was \$727; in Alberta, \$425; in my own province of British Columbia, \$447. In the winter of 1981-82 it went up in Ontario to \$848; in Alberta to \$544; and in British Columbia, way up to \$708. Could the minister confirm these figures? Would he agree with me that the consumers have been hit by the National Energy Program and the agreement with the western producing provinces, and that the government does not have in place any way of helping old people and people on fixed incomes, pensioners, and poor people who are faced with this tax? Would the minister agree that this is a regressive tax on people, and would he indicate to the House what benefit the government is prepared to provide in this bill or otherwise to help people with these dramatic increases in the price of home heating?

[*Translation*]

Mr. Bussières: Mr. Chairman, first of all, I am not sure I could either confirm or deny the figures given by the hon. member for heating costs in the various provinces. I would have to look at these figures and compare them with the increase in the price of fuel and the increased tax component of that price. However, I should like to point out that the price

of gas is still 65 per cent of the price of oil, and that the tax system resulting from the agreement with Alberta was actually a compromise reached by the two levels of government. I think it is very unrealistic to state that the government has no right to impose a tax or to derive income from the oil and gas industry, when that same government is setting up programs to help the industry and to help expand user capacity for gas and other energy products.

The hon. member made a point of stressing the regressive nature of a tax levied on a consumer commodity. I feel there is another aspect we must not forget. Of course, people on low incomes also have to pay taxes on heating fuel and they have to pay their heating bills just the same as people on high incomes. But the hon. member will recall that we have other ways of compensating for such increases, to provide relief for persons on fixed incomes, including senior citizens, or those on very low incomes. I may impress on the hon. member that in Canada, for instance, because of the fact that the basic tax exemption and the tax tables are totally indexed, the individual's purchasing power is, as it were, protected against increases in the cost of living.

The hon. member mentioned the case of senior citizens who, in fact, have no choice because they are often living on barely sufficient incomes and cannot do any extra work since they are retired. The government has substantially increased the guaranteed income supplement, and Canada Pension Plan benefits are also indexed. Where people on low incomes are concerned, I already mentioned the cost-of-living indexing in our tax tables. This also applies to family allowance payments, which are also a form of income supplement, a social measure, so that any increase in the cost-of-living caused either by rising oil prices or other increases is absorbed, as it were, by the cost-of-living indexing applied to the Canadian government's social measures and also to the personal income tax system.

[*English*]

Mr. Waddell: I would say to the minister, with respect, that I think there is a little bit of nonsense there. One aspect is that, with the index, the older people may get an increase in their pensions of perhaps 9 per cent, on account of the cost of living, but two things happen. One is that energy costs go up by 18 or 24 per cent. They have to pay that. The second thing is that in my province they get the pension and then a supplement from the province, and as soon as the pension is increased the province comes and reduces the supplement, so they are put in the same position, and they are suffering.

Let me ask the minister this short question and then a long one. What happened to the gas bank in the National Energy Program? It is not in the bill. It is a way of helping small producers whose gas is shut in, to stop them from all that continued pressure in the export of gas. If we had the gas bank as was originally proposed in the National Energy Program, we could help some of the cash flow of the small producers and help some of the Canadian companies.