

Excise Tax

in value vis-à-vis other currencies, particularly the U.S. dollar. Consequently all the things we buy from outside Canada—fresh fruit, vegetables, capital goods, vacations—indeed everything, costs more and thus further fuels inflation. I suggest that the Liberal government achieved this fall in value of the dollar by keeping Canadian productivity at an unreasonable and uncompetitive level, by allowing investment in research and development to fall to disgraceful levels, and by failing to provide an industrial strategy for Canada in the 1970s and the 1980s, particularly for Ontario and Quebec. It is just another part of the horror story of the Liberal regime and it is extremely difficult to believe it was all accidental or the result of stupidity.

How else does the government cause inflation? Well, this government has some new and different kicks. Firstly, it spent over \$1.3 billion to purchase a non-productive retail oil company which will not result in one extra barrel of oil in Canada or one extra job for Canadians. It then proceeds to charge this huge expense directly to the poor auto driver by gouging him at the gas pumps. And that, I suggest, is deliberately inflationary.

What else does this Liberal government do? It pays to foreign countries over \$3.2 billion annually to buy high-priced oil because of a stupid political position, and that money is taken directly out of the pockets of Canadians to enhance the wealth of other countries. And that, Mr. Speaker, I suggest is inflationary.

Finally, as proof positive that this government wants to encourage inflation and that it is part of its package of fiscal tools to pay for the huge deficit, we have this bill before us which proposes to index tax increases to inflation. By this act, the government proposes to introduce automatic tax increases on alcoholic beverages so that in the future taxes are increased automatically whether or not the government needs the money. By this insidious device taxes will increase without reference to Parliament, without discussion or explanation whatsoever to the Canadian public as to the need for the increase.

In the peculiar way this government has imposed this tax on the industry, the result has been to discourage the consumption of beverages of low alcoholic content, beer and wine, and encourage the consumption of hard liquor. Surely a strange thing for a government to do and reason enough to change this legislation.

The terrible aspect of this tax is the fact that it is tied to inflation and that the government automatically receives more taxes without reference to Parliament. It will be taxing people on inflation; thus it has a vested interest in seeing that inflation continues. By indexing this tax, the government is formally giving notice that it endorses and encourages inflation as a part of its fiscal policy. No wonder Canadians across this country have lost confidence; no wonder that, in spite of the higher interest rates, Canadians are going on a buying binge and consequently rendering ineffective the high interest rate policy.

What is step number two in the grand design to obtain cash to pay its debts? Well, we all know by now it is the huge power

and money grab on provincial resources. Not all provinces, however. The Liberals may be stupid economically but they are politically rather wise and identify their power with a majority in Quebec and strong support in Ontario, so these provinces generally will escape the resource grab. However, God or the Supreme Court will have to intervene to stop the resource grab in the rest of the country. The Liberals are taking the offshore resources of the Atlantic provinces. They are stealing the aboriginal rights of the Indian, Inuit and Metis and the lands of other people of northern Canada. Finally, and most aggressively of all, they are determined to rob the resource wealth of western Canada. The resource wealth of the west is the key to the Liberal program to obtain more cash and feed the insatiable bureaucrats' appetite for more and more spending.

A keystone in the government program to achieve this is the introduction in this bill of a petroleum and gas revenue tax. The act proposes to tax these products at the rate of 8 per cent of all revenues from production of oil and gas. It is not surprising that this tax has met strong opposition from the provinces since they charge, and rightfully so, that it makes nonsense of their constitutional right to own and exploit their natural resources.

In its method of application the tax is more in the nature of a royalty and in fact has been held as unconstitutional by the Alberta appeal court. Aside from that, the practical effect on the economy and well-being of the petroleum industry has been and is disastrous. Other speakers have described the results: 139 rigs have left the country; drilling activity has been reduced; sales of petroleum properties have declined.

The slowdown in the oil industry affects everyone. Out of every dollar the oil industry spends, 42 cents is spent in Ontario, 13 cents in Quebec, 29 cents in Alberta and 16 cents in other provinces. For every job created in Alberta in the oil industry, two are created in the rest of Canada. The loss of jobs and economic activity in Canada is almost beyond calculation.

And so goes the horror story. One can only stand back in amazement at a government which in a grand manner proclaims a national energy policy, one calling for oil self-sufficiency by 1990, and then proceeds to impose punitive taxation and ridiculous regulation sufficient to wreck the industry and ruin the economy in less than a year.

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What are we told now? We are now told that the advisers of the Prime Minister are telling cabinet that the big shock in the eighties will be that there will be no jobs in central Canada for young people; there will be no jobs in Quebec or in Ontario. In fact, there will be no jobs for any of these people in the early eighties. What will they do? The advisers of the Prime Minister are telling us that some 500,000 young people—perhaps even a million—from Quebec and Ontario will have to move west to find jobs, work, security and employment.

The Trudeau government has failed these young people by failing to provide an industrial strategy or design for the