

Taxation

Why is it a regressive tax? It is a regressive tax because it applies to everyone. It applies to the older woman in my riding who came to see me two weekends ago. She was receiving a pension of \$400 per month, and she had to pay these increases. There is an ongoing bank inquiry in this building because bankers said that they were not making enough money. Senior executives of banks are only earning \$200,000 per year! They are faced with the same energy price increases. Whether one earns \$200,000 per year or \$400 per month, one is faced with the same increases. That is why it is a regressive tax and that is why we in the NDP oppose it.

When the Conservatives were in office they suggested an energy tax credit. We have suggested a cost of living tax credit which is somewhat broader than the energy tax credit. Our suggestion would mean that when we take the money out of the pockets of people by the payment of hydro and gas rates, it would go to the government and then back into their pockets as a credit or a grant. This is what we should have, but we do not have anything like that from the government. That is why we say this tax is regressive. It is costing people more and more to heat their homes, and the government does nothing about it.

I should like to refer to some examples of what it costs to heat homes in Ontario. In the winter of 1980-81, the cost was \$727. In the winter of 1981-82, it went up to \$848. In Alberta it was \$425 in the winter of 1980-81 and then it went up to \$544 for the following winter. In British Columbia it was \$447 and then it went up to \$708. The point is that my constituents are correct when they tell me that their energy prices are rising more than the cost of living. The government is wrong when it disputes that fact. It is really negligent when it does nothing about it. All it does is bring in a tax. It does not recycle any of the money. The point I am making is a simple one, but it is important and it affects consumers all across Canada. They are the ones who are being hosed by the National Energy Program.

The second matter I want to discuss is the PGRT and the IORT. The hon. member who previously spoke, the hon. member for Moose Grey—

Mr. Gurbin: That is the name of a beer!

Mr. Waddell: The hon. member must remember that I am from British Columbia and I sometimes confuse the names of beers; I am sorry. The hon. member for Bruce-Grey (Mr. Gurbin) made the point well that these taxes were hurting the netbacks to small energy companies. He also said that I was rather late in changing my view. Well, I have changed my view on it. I think that it is affecting some of those companies. I do not have any brief for big oil companies in Canada, but I do have some sympathy for small Canadian-owned companies. We must remember that they were the companies that were supposed to be helped by the National Energy Program. The president of Imperial Oil, which is not exactly a small company—in fact, it is the largest oil company in Canada, controlled by Exxon—appeared before the energy committee. He said that he did not like the National Energy Program but that his company was getting by because it made profits in the

downstream—refining and marketing. It also makes money in exploration and production, which is the upstream. The PGRT really affects the upstream. Small Canadian companies do not have the downstream, such as the small Canadian-owned gas station on the corner. Such companies have to rely on the upstream, on production. They are hurting because this tax grabs everything at the upstream. The government has created a paperwork nightmare, which I have been told by the companies that have to fill out forms in order to pay this tax, and also it has created a tax which is hurting small Canadian companies.

I am a social democrat, a socialist, and I am proud of it. I reject the notion that a socialist or social democrat should accept unworkable bureaucracy, should be blind or should not consider the fact that perhaps there are some small Canadian private companies which deserve a chance. I am prepared to consider them sympathetically and to give them a chance. In fact, I am going to Calgary tomorrow to consult further with these companies to see whether there are alternatives to the tax.

Now I should like to talk about some alternatives. It seems to me that there are positive options or alternatives for Canada. I have expressed my concern about this before and now I want to suggest a few alternatives. First let me talk about price because this is what consumers are concerned about. We should not slavishly follow the OPEC price which continually goes up and up. If we are to put up prices, then we should redistribute some of the income in the form of cost of living tax credits to people with low incomes and those on fixed incomes.

Before leaving this subject, I want to indicate just how serious it is. The government will give an increase in the pensions to senior citizens to cover the increase in the cost of living. As I pointed out, they need it. Look at the increase in energy prices. My province of British Columbia, which gives them a supplement, then takes the increase away from their supplement. People see the government giving it to them on the one hand and then British Columbia taking it back on the other hand.

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We in the House may say that that is the way of the governments in Ottawa and British Columbia, but all the average citizen knows is that he needs the money and it comes from the government. The people find it wrong, as I do, that the government would give on the one hand and then take back on the other hand. This is happening in the tax area, the pension area and the energy area.

After we have redistributed some of the money to the people that need it, the next positive option is that instead of playing around with PIP grants—\$6.5 billion to the oil industry to achieve a Canadianization program based on an unworkable bureaucratic scheme—we would make Petro-Canada the leading oil company in Canada. To make it number one we would take over one of the major American multinationals and let the Canadian oil companies do their thing. In the next