

situation which the minister has always talked about in the past. When he was not blaming inflation or the weather or something that happened in the United States, he was emphasizing the importance of increasing supply in Canada. This ten cents per gallon tax on gasoline is not going to do anything to increase the supply of gasoline in Canada, and I am sure that the minister would not even make the argument that it might.

The tax is clearly inflationary, clearly inconsistent with the emphasis the minister put on restraint in his budget speech—the emphasis he put on the importance of creating an atmosphere conducive to restraint. This ten cents tax, being on a user basis, is very concentrated, very visible, very stark in its effect on the consumer and taxpayer; clearly its tendency will be to encourage the person on a wage or salary to push for a higher increase than might otherwise have been the case. It cannot have any other possible effect. This measure, being in no way conducive to restraint, will have a very clear and stark tendency in the opposite direction.

I think we should bear in mind that it is not only the ten cents tax increase that is inflationary but so is the added cost to the distributor. At the moment he might not be able to pass it on because of competition, but it is a cost to the retailer or distributor, just like wages or anything else, and as such he will tend to take a mark-up on it. So the tax at the wholesale level is not just inflationary but it is also an increase in the cost of marketing the product.

Application of this measure will be an administrative nightmare. Just think of the bureaucracy associated with the administration of the exemption. We know that the imposition of the tax is bound to be unfair, and is bound to hit the working man who may have to travel 40 miles each way to work every day. This is very common in my province, and it is bound to be unfair.

An hon. Member: They don't care.

Mr. Stanfield: I do not know whether they care or not. Apart from the unfairness of it, just how do they propose to administer it? Can the Minister of National Revenue (Mr. Basford) explain that? A couple of days ago I asked the Minister of Finance how much it would cost to administer this, but I did not get an answer. I do not know if the Minister of National Revenue can give one. Indeed I do not think they have the slightest idea how much it will cost to administer the enormous apparatus required to deal with the exemptions and rebates.

I have a very good opinion of the Canadian people in comparison to the peoples of other countries, but I do not think they should be tempted to engage in skulduggery or tax avoidance. However, when a ten cents per gallon tax is involved there will be a great temptation to try to get into some exempted class. People in business will have to give sales slips for gasoline, and other sales slips for something else. I do not know how large a staff the Department of National Revenue will need to engage to sort the whole thing out, and how many people they will need in the field to catch offenders.

I do not believe the minister can justify bringing this kind of loose proposal before the House. He says it is designed to raise money, but it is going to involve much expenditure to collect the tax and is going to set Canadian

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against Canadian. They will say, "We know someone down the street is taking advantage of the situation, and we are trying to play it straight." There are not enough inspectors in the Department of National Revenue nor enough policeman in the country to check everything. There is no way the government can ensure reasonable compliance with this law.

Some hon. Members: Hear, hear!

Mr. Stanfield: When I talked about this in a very gentle way during the budget debate the Minister of Energy, Mines and Resources (Mr. Macdonald) intervened a little later in his polite fashion and said I had a nerve to object to a ten cents tax on gasoline when, as the former premier of Nova Scotia, I had presided over a 19 cents tax on gasoline in that province. Mr. Speaker, this is a well recognized source of provincial financing for road building. In fact if we did not resort to this kind of gasoline tax in Nova Scotia or the other provinces, we would not have been able to build roads.

● (1640)

A gasoline tax makes sense as a road building tax in the hands of provinces. It makes sense if it is considered as a road user tax in the hands of provinces. Even those Nova Scotians I referred to who drove 40 or 50 miles a day to work did not object too much if the result was better roads for travel. That tax made sense. But there is absolutely no link between the ten cents a gallon tax on gasoline and road building. There is no link between the people who will pay this tax and the use to which the tax will be put. So, when the Minister of Energy, Mines and Resources stands up in this House and criticizes me or any other provincial premier for imposing or increasing gasoline taxes in the provinces, it shows how little he understands what is going on in this country and what are the financial realities in the provinces. What is more, it shows how hard he and the Minister of Finance find it to defend this tax measure.

The Minister of Finance and the Minister of Energy, Mines and Resources said I approve a uniform price across the country for a barrel of oil. I certainly do. I recognize the price must be paid. Then they accused me of being in favour of having the price paid secretly. That was an unjust accusation.

I say that this is not the way to meet our costs. This measure is probably the least desirable way of raising money for a purpose such as the government has in mind. As I said, a gasoline tax in the hands of provinces for road building makes sense, but as a method of paying a subsidy on offshore oil imported to eastern Canada it is for the birds, just for the birds.

The Minister of Finance and his colleague assume that those who must bear the tax can choose. They need not drive. The tax is for personal driving. It is something people can avoid, if they like. The government seems to think that the people concerned can choose, can turn to public transportation. I say the government is completely out of touch with the country. Ministers may travel around the country to political picnics and what not—

Mr. Broadbent: By helicopter.