

Excise Tax Act

through the process of collecting the ten cents from them and sending it back when there is a mechanism for keeping track of gasoline which has been dyed or marked, or has some other substance in it according to provincial statute? The minister need not bother with the rebate. He is still overlooking that. He can talk about streamlining it all he likes, but he is overlooking the exemptions for those two major groups of gasoline consumers. He makes them pay the tax at the retail level. Then he makes them apply for a rebate. He has a beautiful short cut by accepting the amendment. He wants it streamlined, and accepting this amendment will do exactly that.

Any provinces which do not presently have exemptions or do not allow farmers or fishermen to use purple gas in their operations can pass that law tomorrow; the minister's legislation applies. Where any province may unilaterally decide no longer to allow farmers or fishermen to use purple gas tax free, the minister's law still applies.

The refiner and the importer then have to apply automatically the ten cents per gallon at their level on that gas whether it is marked, dyed, or has some other substance in it. Then the farmer or the fisherman will have to go through the process described in other parts of the bill for applying for a rebate. The argument of the minister that the provinces can take unilateral action is specious, and it has no effect whatsoever on the thrust of his legislation. The amendment of the hon. member for Red Deer in no way harms the minister's purpose of collecting the given amount of revenue.

Mr. Turner (Ottawa-Carleton): In response to that, the amendment is clearly drafted. The following words are added: "but does not include any fuel oil which has been marked by any dye, agent or other substance under the authority of a provincial statute." Under its jurisdiction a provincial government would have the discretion to decide the ambit of the exemptions or the refunds under a federal tax, and there would be clear lack of uniformity, or potential lack of uniformity across the country.

Two provinces do not colour or mark gasoline. Moreover, some provinces decide to mark and colour gas for different purposes. For instance, some provinces permit the use of coloured gasoline in pleasure boats, which would be quite inappropriate given the objective of the special excise tax on gasoline now before the committee. I am just saying that a federal tax and the refunds and exemptions from that tax have to be uniform and have to be under the control of parliament and the regulatory authority granted by parliament. That is my problem.

Mr. Yewchuk: Mr. Chairman, I would like to clarify with the minister whether he can provide any figures concerning the cost of the extra bureaucracy which will be required to collect and rebate this tax. I know the Minister of National Revenue touched on this and said there would not be any extra cost. If that is the case, I suggest there is a certain amount of bureaucracy sitting around doing nothing at all. I cannot accept the explanation that it will not take much extra staff to process the rebates. The minister should tell us how much it will cost to administer the program. I submit that these costs could be avoided if the amendment were accepted.

[Mr. Benjamin.]

● (1510)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have looked into the question of costs. My colleague, the Minister of National Revenue, dealt with them in his speech. Our best estimate at this time is that the cost of administration, including the receiving of claims, the reviewing, the issuing of cheques to claimants, and the implementation of a post-audit procedure, will be in the range of 1 per cent of the revenue involved. This is comparable to the cost of administering the federal personal income tax, which is about 1.2 per cent of the revenues generated by the personal income tax. In other words, the cost of administering this tax will be 1 per cent, compared with 1.2 per cent of the cost of administering the personal income tax.

Mr. McIsaac: Mr. Chairman, before we leave the amendment to clause 1 may I ask the minister does he think it advisable to amend clause 5 of this bill, to accommodate the points raised by the mover of the amendment and other hon. members opposite? Regardless of the minister's arguments, the fact remains that we shall be putting a lot of people through a needless procedure. Could the minister not meet objections by some other means, say, by making some agreement with the provinces with respect to purple gasoline, or by moving an amendment to clause 5 or to some other clause? What are the minister's reactions to my suggestion?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, clause 5 deals with refunds and clause 1 with the definition of gasoline, which relates to the exemption. These are different matters. If the hon. member is talking about bulk buying, I tried to deal with that situation when replying to the hon. member for Vegreville.

Mr. Mazankowski: Mr. Chairman, the parliamentary secretary's point is well taken. I have presented a draft amendment which I propose to move at a later stage. I hope the minister will study it, as I think it will serve the purpose. I suggest that the Parliamentary Secretary to the Minister of Transport will heartily endorse it, as he represents a large agricultural area. I suggest that the amendment would cover more than corporate consumers. It would apply to farmers as well, to trucking concerns, commercial concerns and others whom the governor in council may see fit to include.

Mr. Towers: Mr. Chairman, the minister suggested that no amendment he can bring in will make this bill non-discriminatory. I point out that, at the moment, many diesel burning cars will be subject to this tax. The minister suggested that diesel cars could be exempt because they burn a minute quantity. I suggest that this thinking should also be extended to boats.

May I raise another question? The minister referred to discrimination between provinces. I point out that there are lots of dye tablets in Alberta which can be used to colour gasoline used in other provinces. Such gasoline can be put to specified uses by Monday morning. The point is this. The gasoline is not manufactured in that coloured form. It is coloured afterwards, when it goes to the farm, when it is put in bulk tanks, or when it is to be applied to other uses.