

Oil and Petroleum

Administration Act, the remission clause, which defines tax as including any tax imposed, duty or toll payable to Her Majesty. I think that is wide enough to cover it.

In addition, there is in the remission provision in the Financial Administration Act, with the necessity for remissions to be reported to the House of Commons in the public accounts with statements, names and amounts in respect of anything over a certain amount. This is what alarms me about clause 12. There is nothing which compels the government, unless the minister can advise that the provisions of the Financial Administration Act are applicable, to state that the government is compelled to publish a list of the exemptions with the names and the amounts.

Why is there the word retroactively? Why was that put in? Are there situations now in existence where the government is contemplating exempting people or corporations from charges for which they normally would have been liable last month, the month before, or the month before that? It may be there is something else in the bill of which I am not aware by which this will have to be done. However, as it now stands, the governor in council on the simple advice from the board, which does not have to be expressed in terms of a written certificate and can be done only by a telephone call, can deem it in the public interest that XY corporation, which three months ago was liable for charges in the amount of \$100,000 or \$150,000, is now exempt from that charge. Any member of this House is bound to be concerned about a bill which grants such extensive power to the government and its representatives when, side by side with that, is authority to provide for these exemptions.

I would like a more detailed explanation if there are people to whom the retroactive aspect is going to be applied. What assurance can we have from the minister, without us moving amendments, that there will be full and complete disclosure? Has the government decided that the provisions of the Financial Administration Act will be applicable, and will it publish in detail all of the facts surrounding any exemptions with the amounts, names and reasons? I believe this is a very reasonable request bearing in mind the rather awesome powers which this gives to the governor in council.

Mr. Macdonald (Rosedale): Madam Chairman, the hon. member is referring to what is now Section 17 of the Financial Administration Act. Under the export tax as opposed to the export charge provision, there were a number of remissions to the British Columbia Council of Forest Industries and for the purposes of Canadian Pacific aviation fuel. This arose from the situation on the west coast whereby Canadian crude goes to the Puget Sound refineries and is refined there and some of the product, but not all of it, is brought back in, for example in the form of heavy crude for the Council of Forest Industries or in the form of aviation spirit for CP aviation. That is the kind of case that has occurred in the past.

● (2120)

One of the reasons for the reference to retroactivity here is that at the time when there was some debate as to the appropriate level of price and hence of export tax for the export of Lloydminster crude, we indicated that while the

[Mr. Baldwin.]

export tax system remained in force generally we would, subject to proof, be prepared to remit a defined portion of the tax to exporters of the Lloydminster product. Those exports have gone ahead, the applications have been received but, because the statutory authority existing at that time has now expired, we have included a retroactive provision in the bill so that we can honour that undertaking. This, of course, is done by an order in council which is made public in due course subject, of course, to the provisions of the statutory instruments legislation.

With regard to the comment about the provisions of what is now subsection 8 of section 17 of the Financial Administration Act I would be quite prepared to amend clause 12 by adding as subclause (2) thereof a provision identical to that in the Financial Administration Act, which amendment reads:

That Bill C-32 be amended by adding thereto immediately after line 22 on page 6 thereof:

A statement of each exemption or reduction of any charge ordered pursuant to this section shall be reported to the House of Commons through the public accounts.

I believe that is a correct paraphrase of the words used in the Financial Administration Act. I would ask my colleague to move an amendment along those lines. Perhaps we could pause at this point while the precise wording is being considered.

Mr. Baldwin: That is the kind of amendment which I praise the minister for his willingness to make. I must say it would put my fears within manageable bounds.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I should like to add my own words of praise to the minister along the lines suggested by the hon. member for Peace River. When I read these words in the proposed legislation I was a good deal disturbed because the power of exemption does allow tremendous room for certain things to happen.

If I am not disturbing the minister while he is drafting his amendment I should like to ask him whether he would use this retroactive power in connection with the medium and heavy crudes of Saskatchewan. If he finds, after this legislation passes, that serious and proven harm has been done to exporters of those grades in Saskatchewan because the incidence of the export tax has priced them out of the market, and because of provincial royalties and taxes coupled with the decision as to non-deductibility for federal tax purposes, could the minister under this clause consider an order to return part of the export tax to these companies when they have suffered losses through no fault of their own?

Mr. Macdonald (Rosedale): I think that is very doubtful. I am doubtful whether I should put that proposition to the governor in council, and I am even more doubtful that it would be accepted. It would involve a reduction of the federal revenue having regard to the level of provincial royalties. This, of course, is the subject of intensive debate between the federal government and provincial governments. The purpose we have in mind with regard to the Lloydminster crude in particular is that at a time when the market has been highly volatile in terms of marginal price differences because of the arrival of competitive offshore crudes, it is desirable to encourage exporters to go ahead and seek markets for a certain volume of this product in the United States.