

forgone an additional three cents a gallon which now no longer goes to provincial revenue but to the government insurance fund. The nine cents a gallon reduction was a direct benefit to every gasoline user in Saskatchewan, but now this bill more than removes that benefit from the consumer.

I submit that is about the tenth or twelfth matter that is unfair and unjust about this legislation. I for one cannot support this clause, or any other clause in this bill, unless the minister brings in substantial amendments to it.

Mr. Symes: Mr. Chairman, I should like to ask the Minister of Finance a few questions regarding the ten cents a gallon gasoline tax. Has his department calculated what the loss of revenue to the federal treasury will be under the existing exemption given certain motorists, such as doctors and salesmen? I am talking about before the federal ten cents tax was imposed. What is the total amount of revenue lost to the federal government as the result of the existing exemptions?

● (1520)

Mr. Turner (Ottawa-Carleton): We have no way of calculating that.

Mr. Symes: Am I to assume also in respect of this ten cents tax that the Department of Finance has not calculated what revenue will be forgone because of the application of the exemptions?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the exemptions for all commercial use, including the examples cited by the hon. member, will run in the nature of between \$180 million and \$200 million.

Mr. Symes: In light of the arguments advanced about the discriminatory nature of this tax in that certain businessmen will have exemptions and others who drive their vehicles to work will not, why did the government not look at the option of reducing the amount of the exemption for people in the category of businessmen and doctors, if the amount will run to some \$200 million in order to lower the federal tax from ten cents a gallon to perhaps eight cents of five cents? Surely this was an option, and I should like to know the reason it was discarded.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the hon. gentleman surely recognizes that the exemption applies to farmers, fishermen, and a wide variety of people in the general category of those who use gasoline for the purpose of earning income in their business. We decided it was more fair to allow the exemption to apply where the existing deductibility of gasoline as an expense was applicable.

Mr. Symes: I still do not see the logic of that kind of calculation because of the discriminatory nature of the tax. It seems to me, as hon. members of the opposition have pointed out, that there are many others who could reasonably claim the expense for gasoline but who will not be granted the exemption under existing tax laws. I would just reiterate again how discriminatory we find this tax of ten cents a gallon on gasoline, and the exemption which only applies to the consumers of gasoline for the use of vehicles in certain categories but does not apply to those

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who use gasoline for other business purposes. Nor does this exemption apply to the consumers of other energy such as home heating fuel, and so on.

It seems that I cannot get anywhere with the minister on that aspect so I should like to move to his argument about conservation. When the minister presented this bill to the House he said he hoped the ten cents federal tax on gasoline would reduce consumption. What calculations has the minister made to back up his claim that there will be conservation, in terms of a reduction in the number of gallons in demand resulting from this ten cents tax?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I stated earlier to the House, in answer to a question by someone during the question period, that we did not have any precise calculation because one cannot estimate just what the extent of the conservation will be.

Mr. Symes: Mr. Chairman, that is an interesting way of presenting tax legislation; proceeding in the dark and having no calculations to back up the argument. How can the minister possibly believe that this tax of ten cents a gallon will have any significant conservation effect, particularly when we look at the fact that following the escalation in the price of oil, from some \$3.80 a barrel in 1973 to \$6.50 a barrel today, there was no significant reduction in demand? The fact is that there has been a continuing increase in demand in spite of that tremendous increase in the price. By what reason of logic does the minister argue that this ten cents a gallon tax will reduce use?

Mr. Turner (Ottawa-Carleton): I do not know about the hon. member, Mr. Chairman, but I think most of us will be more careful in our driving.

Mr. Saltsman: Mr. Chairman, I think the minister recognizes the concern of the opposition, and particularly the concern of the people in his own party. None of us are arguing against the principle of equalization or the need of the government to raise revenue in order to ensure to people in every part of Canada the same price for heating oil and gasoline. The grievance we have lies in the fact that the ten cents a gallon tax is very unfair. The minister really has not established that he could not have accomplished the same objectives in a more equitable way. That really is the argument we are putting forward. It seems to me that the minister might have applied the same sort of principle in respect of the gasoline tax as is applied in respect of the deduction of the cost of tools and equipment used in the course of employment.

The ten cents a gallon tax could probably be justified if the minister could demonstrate that all gasoline usage was discretionary. If this were similar to cigarettes or booze, the minister could make a case for a very high excise tax. He could always argue that you do not have to smoke or drink, and that you can leave these alone. I think it is clear that, while the use of the car is discretionary, a great portion of usage is necessary in employment, just as tools, safety boots and other things associated with employment are necessary. Such use of the automobile should be treated in the same manner.

In the minister's considerations in respect of raising this revenue did he give some thought to providing an exemp-