

Mr. Speaker: Order, please. This interesting point somehow manages to surface almost every time we are involved in consideration of one of the budget bills. After the last budget this matter came up concerning tax exemption, as I recall, for vessels of a certain type—boats—and the language used in the ways and means motion and in the legislation, and the intent of the two. There is a great similarity between that situation and the situation here.

I do not propose to rule on the point at this time and perhaps, since there seems to be ample evidence that the time available this afternoon will be less than enough to accommodate the comments hon. members will wish to make on the bill, another occasion will present itself on which a ruling can be made.

As I understand one point, that dealing with the two-year limitation, I must say it seems to me to be covered by the language of the recommendation, that is to say, "an application for rebate shall be in such form and in such manner as the minister may prescribe". That, of course, is the recommendation, which is an empowering document to bring in legislation based upon it. Some prescription has to be made. The ways and means motion at least calls upon the minister to prescribe the manner in which a rebate is paid, so a prescription ought to be allowed in the bill. But how far that should go and how detailed it should be, is a question to which I shall have to address myself.

The question about the arbitrary elimination of municipalities from the exemption seems to me to be answered by the inclusion of another phrase, it being one relating to section 1 of the Income Tax Act. However, there is a specific objection to the use of that language, so that if the objection to the use of that language is accepted there would be difficulty about the municipality exemption disappearing. However, it is clear that it is not the intention of the statute to eliminate the exemption for municipalities, which was the basis of that objection.

What it boils down to, really, is once again the language of the Standing Order which says that the introduction of adoption of a ways and means motion shall be an order to bring in a bill based upon that ways and means motion. The question again is for the Chair to interpret whether it means identical to or whether it means something different to. If it means different to, then how different? To that point I propose to address myself as diligently as possible, and when the bill is next called I will endeavour to deliver a ruling. In the meantime I wonder if the House might be disposed to consider the merits of the matter.

Some hon. Members: What merits?

Mr. Speaker: I would suggest, as has been the case on other occasions, that if the House feels it can occupy the next two hours in debating the bill it might do so. However, that is the decision of the Chair. I shall be guided by hon. members as to whether or not there is a disposition to proceed with the debate on the bill pending a ruling.

● (1550)

Mr. Baldwin: Mr. Speaker, I think so far your judgment has been excellent. We might well go on with the bill since the minister has so much to explain about it. It is such a bad bill that we will give him as much time as he can possibly take to deal with the bill.

Excise Tax Act

Mr. Speaker: Then the bill having been called, the Minister of Finance has the floor.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that last remark of the hon. member for Peace River (Mr. Baldwin) reminds me of the first speech I made in this House when the then Speaker, the present member for Edmonton West (Mr. Lambert), was in the chair.

Mr. Baldwin: Was it on debt-free money?

Mr. Turner (Ottawa-Carleton): It was on the way the Conservative government of that day had kept knowledge of the movement of the exchange rate from the Canadian people during the 1962 election. In any event, the hon. member reminded me of a remark made by the then Speaker, the present hon. member for Edmonton West, when he cautioned me about moving on the line of being out of order. Mr. Pickersgill, who was then the hon. member for Bonavista-Twillington, replied: "Surely, Mr. Speaker, the hon. member is not yet out of order and you will have to wait until he goes out of order". In any event, I walked that narrow line until the conclusion of my speech.

Mr. Lambert (Edmonton West): That was his opinion.

Mr. Turner (Ottawa-Carleton): The legislation before the House today, Bill C-66, is intended to give effect to one of the proposals that forms an integral part of the budget of June 23, namely, the establishment of a 10 cents a gallon excise tax on gasoline used for personal consumption only. The bill also provides for a number of other budget changes involving excise tax which I shall touch on later.

This proposed levy on gasoline for personal consumption—and I repeat, for personal consumption only—has become a matter of pressing financial necessity if we are to preserve the national policy, approved by all provincial governments and all parties in this House, of maintaining one single, basic oil price across the length and breadth of Canada. It will also contribute significantly to energy conservation, an objective that I believe all Canadians support.

As the House knows, for the fiscal year 1974-75 our oil export revenues were sufficient to cover the heavy subsidies required to make high cost imported oil available to eastern Canada at the agreed national base price of \$6.50 a barrel. The reason is mathematically easy to determine. At that time we were exporting roughly one million barrels of oil to the United States and importing roughly the same amount of one million barrels of oil daily for consumption in the four Atlantic provinces and in Quebec and eastern Ontario. The export tax, representing the difference between the \$6.50 a barrel national price and the international price at that time, equalled of course the amount of subsidy paid against the same international price in eastern Canada, to lower it down by subsidy to \$6.50 a barrel and thereby preserve one single price.

It is no longer true that the amounts balance. In recent months the gap between the cost of the subsidy and the revenues from the charge on petroleum sales to the United States has grown rapidly as a result of two factors. The first is that the volume of our exports has fallen from over 300 million barrels in fiscal year 1974-75 to an estimated