

Excise Tax Act

would pay their pro rata share, including the businessman and the corporation as well as the working man.

The Minister of Finance has hinted that the ten cents per gallon excise tax will contribute to energy conservation, but I noted earlier today in this debate that he could not back up his contention that this will in fact help conserve energy in Canada. I would suggest that very few people take this conservation argument seriously.

Oil company officials have told me that they anticipate that consumers, who are already absorbing the ten cents a gallon tax will absorb it as another price increase without cutting back their demand for this type of fuel. People using cars to commute to work have no alternative but to pay the higher tax, which for most commuters in my riding means an extra \$15 to \$30 per month in their travelling expenses to and from work. This is an unnecessary and grossly unfair tax which falls discriminately on those who are least able to pay.

With that background I would like to read into the record a letter which I received from a constituent, in which he states:

I am one of Canada's contradictory taxpayers.

House prices in Toronto put homes beyond most people's budget. The government advocates we move to smaller centres where homes are less expensive. There we find jobs are fewer and lower paying and therefore we must commute to jobs in Toronto. Now the government puts the squeeze on us by adding 15 cents to the price of gasoline.

Why is the government putting the screws to we middle class people who wish to work and own homes?

Perhaps the minister could answer this question: what reply should I give to that constituent?

An hon. Member: He is speechless.

Mr. Paproski: The minister doesn't care.

An hon. Member: He has no reply.

Mr. Stevens: I think the record should note that the minister simply laughed.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I rise on a point of order. The record should note that I just smiled at the rhetorical question of the hon. gentleman, knowing that he has enough ingenuity to answer any letter from a constituent.

Mr. Stevens: Let me try another letter on the Minister of Finance.

Some hon. Members: Oh, oh!

Mr. Stevens: Another constituent wrote as follows:

How is Mr. J. Turner's budget going to help the working man with his fight against inflation?

The company I work for is offering us a 3% increase in our pay and J. Turner's budget is putting the cost of living up 2% along with the other raises in all the rest of the items. It is getting worse for the working people instead of better.

That constituent is presumably referring to the estimate now made by economists that the energy moves proposed by the Minister of Finance will be putting up the cost of living between 1¼ per cent to 1¾ per cent. I would like the minister to help me in replying to that constituent. Has his department done a study with respect to the

impact of the proposal in Bill C-66 to put on a ten cents tax, on the cost of living, or the impact of raising the price of oil \$1.50 per barrel which he also announced in his budget? In short, what will this mean in terms of inflation in Canada when it is actually felt?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the impact of this bill is less than one half of 1 per cent of the CPI. That is the price I believe Canadians have to pay in the short term in order to maintain one national price for Canadians and to maintain the price of fuel oil for commercial use and for farmers and fishermen at \$8 per barrel, or two thirds of the world price.

Mr. Stevens: In speaking about the price which must be paid to maintain one oil price in Canada, which I reiterate no one is disagreeing with in principle, we are saying that the minister has chosen a means which is costly and extremely discriminatory.

Earlier in this debate the Minister of National Revenue stated that the administrative cost with respect to this tax would be 1 per cent. As 1 per cent is roughly something over \$5 million of the total amount to be raised, can the minister indicate whether \$5 million will actually be spent in administering this tax? Is it needed in the collection of the tax? Is it needed for the rebates, bearing in mind that for \$5 million 500 civil servants could be hired at \$10,000 per year, or if the government wants to pay \$20,000 per year it could hire 250 civil servants with this \$5 million, which the Minister of National Revenue indicated would be the total cost of administration of Bill C-66 with regard to the ten cents Turner tax?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the expenditure, of course, is the collecting of the tax and paying the rebates under the tax. That figure of 1 per cent is less than the figure of 1.2 per cent for the collection of the personal income tax in this country, and I think it demonstrates a relatively efficient administrative system.

● (1600)

Mr. Stevens: Mr. Chairman, obviously the minister's definition of relativity is different from that of members on this side of the House. I should like the minister to be more specific. Can he give a breakdown of how that \$5 million odd will be spent? Where is that kind of money needed?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I will get the details from the minister in charge of administering the tax, the Minister of National Revenue, and ask him to give those figures to the hon. gentleman.

Mr. Stevens: Mr. Chairman, the hon. member for Parry Sound-Muskoka has referred to the likely impact of this tax upon the tourist industry. Has the minister any calculation of the amount of the total tax that will come from tourists?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, that would be very difficult to calculate and we do not have it.

Mr. Stevens: Could the minister indicate if he tried to obtain that figure before deciding to bring in this discriminatory tax?