

Canagrex

producers turned on their dairy production like one cannot imagine. There are over 500,000 tonnes of surplus industrial milk products. Secretary Black told me, "We do not intend to dump it on the world market to hurt any of our trading partners". I do not know what he will be forced to do. In the United States there will be an election in the fall and there are many rural ridings at stake. If one reads the proceedings of Congress and the Senate, one finds that they did not cut the price of the dairy farmers in the United States. They held it at the status quo and they are looking at the matter again. It is not expected that there will be any changes in the price of dairy products until after the New Year in 1983.

We have discussed trade, stabilization and prices. The hon. member mentioned prices for gasoline and we have made a comparison of prices for gasoline and for diesel fuel. There is not much difference in prices in the various areas of Canada and the United States. Some are just about even. Some are a little higher, but there is not the tremendous difference hon. members opposite seem to try to put across in this House at different times in questions and so forth. We have the facts and figures. They are long and detailed. Hon. members opposite talk about the tax on gasoline. Let them check and see where that revenue goes. That added increase in costs goes to refineries, provincial governments and the federal government. The actual federal tax on gasoline and diesel fuel in Canada is very small indeed.

● (2150)

Some hon. Members: Oh, oh!

Mr. Neil: Sixty cents a gallon.

Mr. Whelan: Hon. members opposite know full well that taxing is a different system than the sharing of revenue.

Mr. Mazankowski: A tax is a tax.

Mr. Whelan: The table I have shows a breakdown of consumer prices for gasoline components including provincial sales tax, federal tax, royalties and taxes on crude oil, the petroleum compensation charge and payments to the oil industry.

Mr. Mazankowski: Canadian ownership charge.

Mr. Whelan: We can give a complete breakdown of prices and taxes. The federal excise tax of 1.5 cents per litre is levied only on gasoline. It is rebated to all commercial users, including farmers, and there is no federal excise tax on diesel fuel, heating fuel or propane. I am talking about federal excise tax because that is what hon. members opposite keep referring to.

Mr. Mazankowski: We are talking about federal tax.

Mr. Whelan: When we are talking about royalties and taxes on crude oil, that is a different thing. The producing provinces levy royalties and taxes on crude oil at the point the oil is sold or transferred to refineries. These taxes are estimated at 5.36

cents per litre for gasoline and can be regarded as being the same for farm fuel.

Mr. Mazankowski: A tax is a tax, and you know it.

Mr. Whelan: The hon. member knows full well that the provinces and the industry are taking the biggest share.

Mr. Mazankowski: That is not right.

Mr. Whelan: The hon. member knows that full well, and he also knows full well that somebody must be taking a bigger rip-off in the United States when Americans pay a comparable price but do not have the same taxing system. Who is making the profit? There is not much difference in the price producers pay for their product.

Mr. Mazankowski: We pay Alberta only \$25 a barrel for oil. Where is the difference?

Mr. Whelan: The average price paid by farmers for gasoline ranges from a low of 29.1 cents per litre in Alberta to a high of 34.8 cents per litre in British Columbia. These estimates exclude the federal excise tax and provincial sales tax, with the exception of the 2.4 cents per litre levied in British Columbia. That is the only province which levies that kind of tax on fuel used for agricultural production. The average price paid by farmers for diesel fuel varies from 28.8 cents per litre in Alberta to 35.2 cents per litre in British Columbia, which is the highest of all.

Mr. Mayer: What do they do in North Dakota?

Mr. Whelan: I have a whole list which I will make available to anyone who wants to make a comparison of the costs farmers—

Mr. Mazankowski: It is deceitful.

Mr. Whelan:—pay in different regions in the United States and in different regions in Canada, but I can tell hon. members that there is not much difference. There may be a difference of one cent here or a cent there, but there is not much difference in the costs producers are paying.

Mr. Mazankowski: What about the wellhead price?

Mr. Whelan: What the hon. member for Vegreville (Mr. Mazankowski) is really saying is that in the United States some companies must be making tremendous profits because they are charging farmers the same. The difference is in the taxing system, if hon. members want to call it that. We have a revenue system which ensures we have greater ownership of our energy industry in Canada. The vast majority of the people of Canada, whether in the east or in the west, go along with that kind of program, and the hon. member knows that.

Canagrex is a corporation about which we have talked for a long time and needed for a long time to help make our agricultural exports what we all want them to be and what we all say we want them to be. We have one disagreement, and that is with respect to the power to buy, sell, own and so forth. There are many, many Crown corporations, provincial and federal.