

balance of their fuel, because they have used it in the business of farming, whether on-highway or off-highway. Predictably, Revenue Canada auditors are having a field day. They are inquiring of the farmer as to proof of business use of fuel, whether the farmer has daily mileage records, logs, completed schedules of fuel and gasoline purchases, and vehicle inventory. I have a letter from an excise auditor who wishes detailed descriptions of usage of gasoline or diesel consumed in each vehicle used in the fields, and detailed descriptions of gas or diesel consumed in each vehicle used off the fields.

• (1825)

That may make sense to a Revenue Canada auditor, but it makes no sense whatever on the farm. Unless the farmer can prove that the business fuel was used off-highway, his claim is reduced to 80 per cent. Also he is reassessed for any excess rebate paid, plus interest, plus a penalty, and the resultant hard feelings. The point is that this is being done in the name of a completely artificial and arbitrary standard of on-highway/off-highway which simply has no relevance to today's farming.

The fuel tax rebate program is a good one. I think the farm community is very happy with it. Given the problems facing agriculture, I think the rebate should carry on beyond January 1, 1988. In fact conditions dictate that. I urge the Minister to carry on with the program or to replace it with something similar in his upcoming Budget.

Finally, the farm community likes the fuel tax rebate. All it asks is that the Ministers involved consider either changing the legislation so as to eliminate this inane distinction of on-highway/off-highway as one of the criterion or, in the alternative, that the Minister of National Revenue instruct the field auditors of Revenue Canada to permit farmers to take the rebate on 80 per cent of their total fuel bill, not on what is left after their personal expenses have been taken.

I suggest that either of these changes will enable the Government to say truly that it has effectively offset federal taxes on farm fuels.

[Translation]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): If I may, Mr. Speaker, I should like to congratulate my colleague, the Hon. Member for Swift Current—Maple Creek (Mr. Wilson) who, on the one hand, has presented a very up-to-date view of the issue he has raised

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and who, on the other hand, has demonstrated ever since he came to the House a deep interest for all matters dealing with agriculture and his sincere interests in the farmers of his ridings and the rest of Canada.

Since 1984, Mr. Speaker, the Conservative Government has made major changes to federal consumer taxes, especially those affecting fuel used in farming. If I may, Mr. Speaker, I should like to present a brief summary, somewhat like my Hon. friend did.

In the fall of 1984, the Conservative Government set up a fuel tax rebate program as a response to the special problems primary producers were experiencing. This rebate amounted to 3 cents a litre. Since May 1986, the rebate for farmers is 3 1/2 cents a litre. In addition to that, there is a special 2 cents a litre rebate on excise tax which applied and which, effective January 1987, applies to 3 cents a litre.

Finally, on top of all that, there is a 1 1/2 cent a litre reimbursement of the excise tax which applies to all Canadians, including farmers.

My colleague from Swift Current—Maple Creek is asking that a distinction no longer be made between on-highway and off-highway fuel used for agricultural purposes. In my opinion, his request is justified when we look at it from his own viewpoint. But in a more practical approach, Mr. Speaker, think of the very complex system that would be required to ensure fairness and equity. One might draw a parallel between a farmer who uses his own vehicles and claims the tax rebate, and another one who uses a carrier. Well, would this carrier as well be eligible for the tax rebate? Just to be on the safe side, we would also have to define just what kind of farm commodities can be transported. Mr. Speaker, you can well imagine the forms and red tape—perhaps even a system not quite as fair as the one we have now—we would need to meet the requirements of my colleague.

Moreover, we know that Revenue Canada decided to grant farmers 80 per cent of the tax rebate without asking them to submit any evidence.

Therefore, Mr. Speaker, I feel the present situation is fair to farmers. Thank you.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock, pursuant to Standing Order 3(1).

The House adjourned at 6:30 p.m.