

Excise Tax Act

Mrs. McDougall: Mr. Chairman, as I explained earlier, we would like to extend the rebate as broadly as possible. We attempted to come up with the best definitions that we could. I can only suggest that there is some \$37.5 million worth of tax relief to mining next year. We believe that that is a reasonable tax break which the mining sector will welcome.

Mr. Riis: Mr. Chairman, to emphasize how serious this is, I would like to move:

That in Clause 22, Section 49.01(b) have the words "off-highway" deleted.

The Deputy Chairman: Would the Hon. Member please send it up in writing? Does the Hon. Member want this deleted from the clause on page 29 where it says "in any quantity, in any other case"?

Mr. Riis: Yes, Mr. Chairman. I believe that is the appropriate place.

The Deputy Chairman: It says:

—in any quantity, in any other case;

"logging" means the felling, limbing, bucking and marking of trees, construction of logging roads, off-highway—

Does the Hon. Member want the words "off-highway transportation of logs" to be deleted?

Mr. Riis: Mr. Chairman, for clarification, my concern is the term "off-highway". We submit that that is a reasoned amendment to make the point of the problem associated with that particular clause.

● (1710)

The Deputy Chairman: Order, please. With respect, this Bill is based on the ways and means resolution. Thus, the amendment only increases the ways and means, and therefore I believe it should be ruled out of order. Shall the clause carry?

Some Hon. Members: Agreed.

Clause 22 agreed to.

Clauses 23 to 40 inclusive agreed to.

On Clause 41—*Departmental regulations*

Mr. Baker: Mr. Chairman, in computing the amount of money that the rebate will cost, how did the Department arrive at the figures of on-highway and off-highway? In other words, the Minister outlined the total amount of money that it would cost the Government to implement the rebates. In the implementation of the rebates, is the Minister saying that there was some way the Department could compute a figure that would not take into account on-highway use?

Mrs. McDougall: Mr. Chairman, all we can do in situations like this is to estimate what we feel is valid and fair. We think we have done that.

Mr. Baker: Mr. Chairman, could the Minister tell us whether any assessment has been made? If you have done the assessment on the off-highway use, as a part of that assessment, did you also assess the cost of maintaining your off-

highway use and also the on-highway use for off-highway purposes?

Mrs. McDougall: Mr. Chairman, we have made an assessment of what we think is a valid and fair return to primary producers. We have attempted to define it in such a way that it applies to all people within particular areas so that we do not get into situations where some people get it and some do not, depending on their type of business. That is the kind of assessment that we made.

Mr. Baker: Mr. Chairman, the Government had an assessment done. Its assessment was based on the use of gasoline and diesel fuel by primary producers.

I submit, with respect, that in the assessment that was done, the Government could not have removed on-highway use because, as Members of the House have said about the logging industry and the potato industry, the assessment was done on the consumption of gasoline and diesel fuel. There was not an assessment done, therefore, on that portion of the gasoline that would be used on the highway as it relates to the logging industry and as it relates to the potato industry. In fact, according to the Minister's response, the assessment could not have been done because there was no reason for doing the assessment in the past.

There was no way that the Department could have discovered what portion of that gasoline would have been used on the highway as opposed to off the highway if its assessment was done on the total consumption of gasoline and diesel fuels.

On that basis, I would like the Minister to respond because her response, I believe, would mean that a future amendment could be made which is similar to the one that was ruled out of order.

Mrs. McDougall: Mr. Chairman, I am very pleased to refer these comments to my officials for discussion. I believe we have made our assessments fairly and openly. We have provided valid tax relief. I believe that the tax relief we have provided is to the benefit of all those industries. Those with whom we have discussed this have had a favourable response.

The Deputy Chairman: Shall Clause 41 carry?

Some Hon. Members: Agreed.

Clause 41 agreed to.

Clause 42 agreed to.

On Clause 43—*Interim Rate of Interest*

Mr. Brisco: Mr. Chairman, while I do not want to prolong this, my comment concerns the questions that have surfaced on both sides of the House with respect to the application of the term "off-highway". I simply suggest that it might be useful to have the benefit of the Department's interpretation of off-highway at some point today or in the future. We may well find that that interpretation in itself may provide the solution we are looking for in this debate.