

*Adjournment Debate*

that should be something the Hon. Member could personally look into and see if he can have it remedied.

As Hon. Members are aware, on December 18, 1986, the Minister of the Environment (Mr. McMillan) tabled a proposed environmental protection Act for discussion purposes. This draft Bill will lead to eventual legislation that will be introduced to Parliament for first reading before the summer recess.

The Minister and the Government are committed to preserving human health and to ensuring the safety and protection of our environment. We recognize that those who make chemicals, those who regulate them and those who use them have a shared responsibility to safeguard our common life support systems from the dangers that chemicals pose.

The proposed environmental protection Act provides for cradle-to-grave management of chemicals from their development, through their manufacture, transport, use and storage, to their release into the environment in such forms as waste or emissions. It emphasizes prevention of harm to the environment and human health. It consolidates the environmental protection provision of the Clean Air Act and certain sections of the Canada Water Act. The proposed Act also includes the section of the Department of Environment Act which allows the Minister of the Environment to establish environmental protection guidelines for federal departments and agencies to use in exercising their mandates.

The consultation and comment period of the draft Bill will run from January 1 to the end of March, 1987. In January, Environment Canada held information sessions on the proposed environmental protection Act which were open to all interested parties. Departmental officials explained the intent and key elements of the draft Bill. In February and March, formal and open consultation meetings will be held to discuss with participants any problems involving the proposed Act and potential solutions, culminating in a national meeting in Ottawa on March 23 and 24. Anyone is welcome to submit comments in writing to the Minister of the Environment during the three month consultation period. All observations and comments will be considered during the drafting of the Bill before its first reading.

● (1820)

In conclusion, I can assure the Hon. Member that the Government has these matters well in hand, and it is moving forward on this issue.

AGRICULTURE—FUEL TAX REBATE—DENIAL TO FARMERS  
USING VEHICLES ON-HIGHWAYS. (B) REQUEST FOR  
RECONSIDERATION OF REBATE

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, my concern is with elements of the federal fuel sales tax rebate program, and follows my questions to the Minister of Finance (Mr. Wilson) on January 26, 1987.

The federal fuel sales tax rebate program was announced in the Economic Statement of November, 1984. It became

effective December 1, 1984. Its purpose was to provide temporary fuel sales tax relief to primary producers, including farmers. It would run from December 1, 1984, to January 1, 1987. That sunset was later extended to January 1, 1988.

The initial sales tax rebate was 3 cents per litre. It was increased to 5.5 cents per litre effective May 1, 1986. It was increased to 6.5 cents a litre on January 1, 1987.

The legislation states that eligible users must use the fuel off-highway for commercial purposes. Use of on-highway or off-highway as a criterion for any type of agricultural program simply flies in the face of the practical facts. Obviously, farmers have to use the highways for the purposes of hauling grain, fertilizers and chemicals, to move machinery, to secure parts and to go for repairs. Some pieces of equipment have multiple uses. Some trucks have attached to them spraying equipment and snowploughs. The point is that whether the farm business is done on-highway or off-highway, it has no relevance to a farming operation, and the drafters of the legislation should know that.

It is interesting to note that the federal excise gasoline tax refund program, which rebates 1.5 cents excise tax per litre on gasoline, is based on fuel used in the course of business, and it excludes fuel used for personal usage.

What should be important is whether the fuel was used in the business of farming. If it was, then it is a legitimate expense for income tax purposes, and I submit that it should be eligible for the fuel sales tax rebate, regardless of whether it is used on the highway or off.

The provisions in the Income Tax Act are one thing, and the criteria for the excise rebate are another. The fuel sales tax rebate provisions are a third item, and supposedly separate and distinct. Yet, in the mind of any responsible person in the business of farming, it is extremely difficult to make that distinction. Surely the answer is to change either the Act, which would be the responsibility of the Minister of Finance, or to change the enforcement procedure, which would be the responsibility of the Minister of National Revenue (Mr. MacKay).

Earlier, concern was expressed about the procedure to be followed by Revenue Canada in the verification of claims for rebate of the federal fuel sales tax. Finally, in July of 1986 the Minister of National Revenue issued guidelines which were supposed to simplify and reduce the paper burden for farmers.

Revenue Canada advised that for farmers who did not have detailed records for on-highway/off-highway use of fuel, the Department would accept rebate claims for 80 per cent of the fuel purchases only after the claimant had deducted fuel purchases for personal use. In other words, the farmer would first subtract his personal usage, and then be entitled to claim on 80 per cent of what was left, the deduction of 20 per cent intended to cover on-highway usage.

As one would expect, after eliminating their personal usage factor, many farmers are claiming the sales tax rebate on the