

Excise Tax Act

farmers and other primary producers to collect the rebate of 4 cents and 3 cents per litre on the fuel that they buy. We have to recognize that the Government is not rebating the entire amount of excise tax. If one looks at the Bill carefully, it will be found that the present tax on gasoline will be 5 cents per litre, and the tax on diesel will be 4 cents per litre. What we are being told is that the Government will rebate 4 cents per litre in 1989, and 3 cents per litre in 1988.

In order to have this rebate program in place on January 1, 1988, we have agreed to allow this Bill to go through the House today.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I would like to make a few comments. Because it is Christmas, it might be appropriate to refer to *The Bible* where it states, "The Lord giveth and the Lord taketh away". It goes on to say, "Blessed be the name of the Lord". In this case the Government is giving and the Government is taking away. Canadians, particularly those who live in northern and rural areas will say, "cursed be the name of the Government", because, as my colleague from Windsor has pointed out, the Bill gives to primary producers, but it certainly takes away more than it gives. It extends the tax rebate for two years to farmers, loggers, fishermen, miners, hunters, and trappers, and it puts into their pockets \$250 million. But it will take out of the pockets of Canadians generally \$450 million in the rates of excise tax on gasoline, aviation fuel and gas, and diesel fuel. That will be increased by 1 per cent.

The net effect is that although farmers and fishermen and primary producers, many of whom live in northern and rural areas, will pay less for the gasoline that they use in their work, they will pay more for everything else. For example, a placer miner in the Yukon has to fly in and out. He has to fly on an aircraft, and fuel is going up. Moreover, the Government still has a tax that he has to pay at the airport, but I will not get into that. Everything that the miner buys has to come in by air. The cost of that transportation is going up. The cost to the man who produces the tools that the miner uses, and the nets, the boats, and the engines that the fishermen use, will all go up because the fuel that is used by industry will be increased in price.

On the one hand, while it appears that the Government has made a magnanimous gesture toward primary producers, that is, farmers, loggers, fishermen, and so on, particularly those people who live in northern, rural, and remote parts, because they have to pay more for their materials and the transportation of those materials they will be in a net deficit position.

I could go on and talk particularly about fishermen who have not been helped by the actions the Government has taken. It is important to point out in the context of this debate that although on the surface this appears to be a gesture aimed at improving the lot of farmers and fishermen, there is no net gain. As a matter of fact, there is a net loss on the part of those primary producers.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I would like to follow up on the remarks made by my hon. colleagues. This particular Bill reminds me of many of the Bills that we have been faced with in this House that say one thing and basically do another. Bill C-101 is the extension of a fuel tax rebate program that was first introduced in October, 1984. This rebate program is to be extended for farmers, loggers, fishermen, miners, hunters, and trappers to December 31, 1989. It is a rebate to primary producers for an additional two years. It looks and sounds good, but it will affect only one part of the day in the life of a farmer, logger, fisherman, miner, hunter, or trapper.

• (1620)

The rebate of the excise tax imposed on gasoline and diesel fuels sold to or imported by these various sectors for purchases between January 1, 1987 to December 31, 1987 will be 3 cents per litre, and for purchases between January 1, 1988 to December 31, 1989, it will be cents per litre. The total annual cost of the rebate program is estimated to be \$250 million. This sounds very kind, very generous, and very wonderful. I am sure that government Members will be thrilled with themselves.

On the other hand, why does the Government not look at the second part of the Bill? The increase in tax on fuel of one cent per litre is already in effect. Look at the impact of that tax on the daily lives of everyone, and government Members might not be so quick to vaunt and be so proud of what it has undertaken to do.

I see the Hon. Minister giggling and laughing across the way. It is no laughing matter for the person who pays for it out of his or her pocket.

We do not support the one cent increase in the gasoline excise tax which has been in effect, by the way, since February 19 of this year. Further, it has hit hardest at low and middle-income Canadian families. The increase has had a negative effect upon many sectors of the economy.

If we are to take a look at the impact, we should not do it in isolation. If we put the increases all together, they amount to \$6,650 million, and that is only the sales tax section. It does not even include what the Conservatives have done in the area of personal income tax, what they have dug out of the pockets of every good Canadian close to \$22 billion. I think such a tax grab is totally unconscionable.

I should like to put on record what the Conservatives have taken from the pockets of Canadians in the area of sales tax. They should be ashamed of their tax record. It is actually an unbelievable gesture. Referring to the Conservative tax record, in terms of gasoline and associated products the annual cost was \$900 million. The first increase of two cents per litre on gas was effective in September, 1985. The second increase of one cent per litre on gas, effective January, 1987, amounted to \$450 million. The third increase of one cent per litre on gas, effective February, 1987, amounted to \$450 million. We must