

6.4 The Committee further recommends that Revenue Canada and the Department of Finance begin to evaluate the effectiveness of the February 1987 budget measure in combatting evasion of taxes with a view to replacing the provision should this evaluation and further study uncover a more suitable alternative.

B. Fuel Prices

As the Canadian Western Wheat Growers Association remarked, on-farm fuel costs have dropped quite substantially over recent years, not only because of fuel rebates but also because of lower world oil prices. Nevertheless, a couple of the western witnesses complained that pricing of farm fuels by distributors has become less competitive, with fewer volume discounts reported.

Figure 6.1, which is prepared by the Department of Energy, Mines and Resources (EMR) on a monthly basis, shows the variations in retail prices across the country. Since deregulation in June 1985, crude oil prices do not vary substantially across Canada. Taxes, refining and marketing costs, and profits account for provincial price differences. Prices reported are for specific urban centres and do not represent provincial averages. Prices can vary significantly from city to city within a province. Values observed are at a given time and represent a snapshot value that may not be representative of prices over a more extended period.

FIGURE 6.1
PUMP PRICE COMPONENTS FOR REGULAR LEADED GASOLINE
SELF-SERVE PUMP PRICES - MAY 26, 1987
 Cents/Litre

