

Excise Tax Act

● (1630)

Mr. Henderson: Mr. Chairman, I have another question for the Minister. In the provinces, most of the gas which is used—and there is a provincial tax rebate—is marked gas. Is there a mechanism in this legislation which would distinguish between off-highway gas and highway gas? Will there be a dye or something in the diesel fuel?

Mrs. McDougall: Mr. Chairman, the answer is no. There will not be a marking. It varies from one province to another. Some use it and some do not. We have chosen not to mark it.

The Deputy Chairman: Is the Hon. Member for Gander-Twillingate rising to speak on this clause?

Mr. Baker: Yes, Mr. Chairman. I have listened to the Minister describing the rebate on excise tax on gasoline and how it will be implemented. There has been much discussion on this particular clause as it relates to primary producers. I wonder if the Minister will have a comment on what I am about to say, or if she could take it up with the Minister of National Revenue and the Minister of Agriculture.

The excise tax on gasoline to which the Minister referred—the 1.5 cents which is available, and has been for years, to primary producers, farmers and fishermen—is also available to clergymen and anyone who is using the gas to further their occupation, on a judgment of the question by the Department of National Revenue. However, there is a problem with that rebate as it relates to primary producers. The problem is that a very low percentage of primary producers who qualify for the tax rebate do not receive it, simply because they do not apply for it. In fact, I would say that half of the fishermen on the East Coast of Canada do not apply for the tax rebate. Furthermore, I would say that one-quarter of those fishermen did not know that the provision existed. It was only in the case, as the Hon. Member for Egmont pointed out, in which the gas was marked and there was a distinction in the community that a particular type of gas could be used occupationally that they were aware of the provision. Of course, as the Hon. Member for Egmont knows, there have been a number of court cases concerning people who have used marked gas on the highway.

I would like the Minister to comment on the fact that there have been rebates available for some time and that primary producers were not taking advantage of them for some reason or another. Although some Members may say, “No way, all the farmers have been taking advantage of this in Canada”, I can assure the Minister that they have not.

Mrs. McDougall: Mr. Chairman, I think the difference lies in the bulk permit, because the farmers will be able to claim credit at the pump. If they have not chosen to do that before, we have made it easier for them to do it now.

Mr. Henderson: Mr. Chairman, as I understand it, the legislation provides for on-farm use. There is a problem with that. For example, on Prince Edward Island there are a lot of farmers who truck potatoes from the field to the warehouse. When potato harvesters are in the field, they load the trucks

and sometimes must drive 10 or 15 miles on the highway to travel to the storage warehouse. Will this tax apply to them for that distance, from the time they leave the field until they arrive at the warehouse? It is a very difficult situation. Part of the distance is definitely on-farm use when the trucks are back in the field, but a large part of it is on the highway. A farmer cannot stop at a driveway, siphon out the gas, fill up the truck with gas on which he would pay tax, and repeat the procedure at the next gate. That presents a real difficulty. I do not think this legislation addresses that situation. Therefore, would the Minister consider that to be a serious situation which could develop? It could put many farmers in my area in the position of breaking the law and landing in jail.

Mrs. McDougall: Mr. Chairman, we have chosen to do it this way because some farmers truck their own produce and others use transportation companies. We have kept the definition of farm use, because that applies through the legislation.

Second, we anticipate that the farmer will be in a position to best decide the proportionate use of fuel on and off the farm.

Mr. Henderson: Mr. Chairman, the Minister may well be confused about what I am saying. I understand the situation from the warehouse to the market-place, but that is different from the point which I am making. I am talking about the primary product in its primary stage, before processing or packaging—from the farm to the warehouse. In many instances in my province a farmer drives 15 or 20 miles on the highway because he has no storage on the back 40. It is a very difficult situation when farmers must drive on the main highway to get to their primary source of storage. What the Minister is stating is quite correct—from the storage to the market-place—but that is a totally different situation.

Mrs. McDougall: That is not what I am talking about.

Mr. Henderson: Yes, it is. As well, I am not talking about farmers who hire outside trucking firms to transport the produce. I am talking about a truck with a potato box on it, which is used for nothing else throughout the year but trucking potatoes from the field to the storage area.

Mrs. McDougall: Mr. Chairman, I would like to assure the Hon. Member that I do know about what he is talking. My second cousin ships his eggs from the farm into town on somebody else's truck. That is the kind of comparison which I am making.

If it is for farm use, it applies to everybody. If we apply it for highway use, it will then apply to some and not to others.

Mr. Henderson: Mr. Chairman, the egg situation does not apply. The Hon. Minister is mixing eggs with potatoes.

An Hon. Member: Hash browns.

Mr. Henderson: Yes, hash browns. The situation which I am discussing is totally different from the egg situation. The egg comes out of the hen in the henhouse, goes to the storage place, and then goes to the market-place. The Minister is