

Excise

I must always establish a balance between Progressive Conservatives, New Democrats and Social Crediters. The decision I made was first to recognize a second Social Credit member. I recognized Social Credit member this afternoon, but I also exercised my power of discretion and I refused to allow the supplementary question.

Mr. Lambert (Bellechasse): Mr. Speaker, will all the respect I owe to the Chair, I consider once for all that it is quite irregular for the Chair to count hon. members from such and such party in the House. The fact of being recognized must be based on the fact of being in the House and as I was here, it seems to me that I should logically have been recognized as an hon. member who was here and who normally sits in this House.

Mr. Speaker: I am sorry, but I consider that I have to take notice of the number of hon. members from the various parties who are in the House during the question period. It is not simply a regular procedure but it is a fair one, and I intend to continue to preside in such manner.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

The House resumed, from Friday, January 24, consideration in committee of Bill C-40, to amend the Excise Tax Act and the Excise Act—Mr. Turner (Ottawa-Carleton)—Mrs. Morin in the chair.

The Assistant Deputy Chairman: When the committee rose on Friday, January 24, clause 21 was under consideration and the hon. member for Capilano had the floor.

On clause 21.

Mr. Huntington: Thank you, Madam Chairman. Shortly before the hour of four o'clock on Friday last I reversed mileage figures, and the sentence reported in *Hansard* at page 2599, toward the end of the first column, should read: We must think in terms of . . . 15 to 40 miles per gallon rather than . . . 6 to 12 miles per gallon.

The balance of my remarks will conclude my participation in the debate on these two paragraphs. It is still my contention that paragraphs 11 and 12 are causing hardship. One Vancouver yard has been faced with the cancellation of \$500,000 of work. In addition, one half of its back orders have been cancelled. In another yard, \$150,000 worth of work has been cancelled and, again, one half of the back orders cancelled. This yard is itself seeking to cancel \$200,000 worth of purchase commitments placed as far away as Sydney, Nova Scotia. A \$300,000 new model moulding development program has been stopped.

I would bring it to the minister's attention that Sceptre Equipment Limited, a small construction equipment company in North Vancouver, has a tax-paid D-7 and two loaders in inventory. At the time of import, \$12,000 was paid in federal sales tax. The minister offers tax recovery procedures to automotive companies in similar circum-

[Mr. Speaker.]

stances, yet he digs in his heels when asked to deal with this man's problem. This man needs relief; he needs a procedure by which he can recover his \$12,000 since he cannot now sell the equipment at its tax-paid value. Where is the just society, about which the Prime Minister boasts at election time, in the face of this refusal of justice on the part of the Minister of Finance?

The pleasure boat industry in British Columbia alone is a \$78 million industry and the incomes of a lot of people are affected by this vindictive stroke of a bitter pen. There is no logic or justice about the minister's explanations in support of paragraphs 11 and 12 of clause 21 and the lack of procedure for recovering sales tax on inventories of construction equipment. The minister's action negates the small harbour assistance programs which are still being put into effect by other departments of government. It negates years of government programs to encourage the development of the boat building industry which is responsible for important payrolls in British Columbia. After all, British Columbia is a marine-oriented province.

The paragraphs of the bill to which I refer are highly discriminatory against a minority who as individuals make a higher than average contribution to the gross national product. The reasons given for the inclusion of paragraphs 11 and 12 do not stand up to examination. Any loss of revenue due to the abandoning of this policy could be recovered if stricter attention were given to avoiding wasteful government expenditure. As a means of conserving energy, the measures we are being asked to approve penalize only those who have been saving for their dream, not those who are already equipped with aircraft and boats. Surely, dealers with tax-paid inventories of construction equipment on hand are entitled to the same recovery procedures as are automotive dealers.

I support the amendments offered by the hon. member for Moncton and urge the minister to reconsider what appears to be an extremely rigid and autocratic stand on these three items in Bill C-40.

Some hon. Members: Hear, hear!

Mr. Ritchie: The purpose of these excise tax provisions is obviously to dampen down the use of energy by increasing the financial burden placed upon those who use motor boats and cars, particularly those requiring a great deal of fuel. The insertion of these clauses emphasizes the need for a comprehensive energy policy in this country. Most people would agree that the increase in the cost of running a motor boat, for example, would in theory be of some value as a measure designed to conserve fuel supplies. However, in this instance it is discriminatory. The minister might well consider explaining to the committee why he has not included snowmobiles, for example, in these provisions. After all snowmobiles, like boats, are used for pleasure. Some people in Canada find snowmobiles very important to their livelihood. It seems to me it would have been fairer to have taxed none or all of these craft used for pleasure. It is also an indication that the time has long since passed when the government should bring forward its energy policy. Like the Americans, we will have to decide how high the price of energy should go in order to implement some form of rationing and conserve fuel.