

Excise

another thing to be asked to vote in favour of tax increases which will apply, for example, to boats, as such measures are isolated from any overall program and, so far as one can judge, form no part of any comprehensive approach to conservation. The government itself has failed to take steps to conserve the energy that it uses itself.

An hon. Member: You are speaking of government cars?

Mr. Stanfield: I am not talking about cars; I am talking about buildings. The point is this: are these measures part of a comprehensive program? We should know what the comprehensive program is before we are asked to vote on isolated measures such as these which, as hon. members know, will cause hardship to individual Canadians. At present I am not complaining about the entire bill; I am only speaking about the controversial sections presently being discussed. How can the minister ask us to support these measures as part of a comprehensive program, when we have tried to find out from the Minister of Energy, Mines and Resources when he will present an energy conservation program? First this was to be done before Christmas; then it was not to be done before Christmas—and the program has not yet been released. Why is the Minister of Finance asking us to vote on what are essentially conservation measures—I am not expressing an opinion as to how effective they may be—when these measures are bound to do a certain amount of injury to firms and individuals? Why is he asking us to vote on them before we have the whole picture in front of us?

● (1430)

I ask the minister to refrain from seeking the opinion of this House until his colleague, the Minister of Energy, Mines and Resources, puts before us his comprehensive program. I say in all sincerity that it must surely be ready by this time. How can the minister expect us to accept these measures which seem simply to have been drawn out of a hat, when other Canadians are not being asked to bear any part of the load?

The other aspect of the bill I wish to refer to deals with an area in which the minister is trying to be helpful. Certain taxes are being eliminated on construction and transportation equipment. I also want to be helpful, and I want to be moderate. I hope the minister realizes that the way some clauses now stand, this has created a bit of a can of worms. It was pointed out in connection with transportation equipment, for example, that a truck is not built by one manufacturer; the chassis and cab are manufactured by one firm, and other firms which are spread across the country manufacture the rest. They build the body and, if necessary, a crane or other equipment.

The minister is creating considerable difficulty for these firms. He recognized that in reducing the taxation, he was subjecting some firms to very substantial inventory losses and he took an unusual step to provide some relief for them. However, all across the country there are firms engaged in truck-finishing operations, for example, which have substantial inventories of parts. Under the bill as it now stands, they will face very heavy losses. These firms will be severely prejudiced in comparison with other businesses in this country. The minister should not let this

[Mr. Stanfield.]

sort of thing happen. It is my impression that one of the amendments put forward by the hon. member for Halton-Wentworth was designed to at least indirectly overcome this problem. In addition to the inventory problem, there is the manner in which the tax is to be applied to parts. What definition is to be followed? This is creating a great deal of difficulty. If a part is valued at less than \$1,000, the tax is payable. When is a part not a part? When is it classified for the purpose of a ruling? There is an enormous amount of confusion here.

If this bill is enacted in its present form, there will be a great deal of inequity across the country and this will be very rough on relatively small businesses engaged in the building of trucks. It will be very difficult for them to compete with other manufacturers. Also, it will have the effect of increasing the competitive advantage of those who import parts into the country as compared with those who manufacture parts in Canada. I believe the hon. member for Halton-Wentworth put forward amendments which would take care of this problem. I have no means of knowing whether they are acceptable to the Minister of Finance. I know the minister was trying to be helpful in putting forward these clauses which grant tax relief. I recognize that he saw the severe financial loss that could be imposed, in terms of inventory, as a result of what he has done. The minister moved to correct that in part. Nevertheless, the result has been the creation of a very inequitable situation as between businesses in this country. The apparent definition of units and the probable manner in which the clause will be applied will make it exceedingly difficult for small firms which have built up a business to provide a valuable service in their regions. It will be very difficult for them to carry on.

I am most anxious to know whether the minister is prepared to accept the amendments put forward by the hon. member for Halton-Wentworth or some variation of them. It would be highly unsatisfactory for the committee to adopt the bill as it now stands. It would place many businesses in this country in a virtually untenable and uncompetitive position. I am sure that is not the intention of the minister who, as I said before, set out to be helpful. This legislation is a bit of a mess. I hope the minister does not think I am trying to be critical by saying this. I suspect this is always true in the case of tax legislation when you try to change something, even when you try to improve it. This is very difficult to do. It is even difficult to reduce taxes without creating some inequity. I understand that. However, I do not think things should be left as they are at present.

Some constructive suggestions have been put forward by the hon. member for Halton-Wentworth. I hope the minister can adopt them or perhaps even improve on them. Also, I hope the minister will not insist upon the opinion of this committee being taken on the conservation measures until we have the whole facts in front of us, assess them and judge whether the burden being imposed upon Canadians and Canadian companies covered by this legislation is being fairly apportioned among Canadians in general.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I have not intervened to answer all the interesting contributions to the debate. I will do that at the appropriate time, when