

Excise Tax Act

are exempt. It is understood that under paragraph 4, clause (c) to which I had referred, bulldozers and road equipment would be exempt from sales tax?

Mr. Benidickson: My hon. friend and I are really not referring to the same section. I think that in paragraph 4 (c) there is a list of equipment on which municipalities will no longer have to pay sales tax.

Mr. Rowe: Oh; I see.

Mr. Benidickson: The discussion in connection with bulldozers had reference to another item in this resolution.

Mr. Rowe: That is what I thought.

Mr. Benidickson: Bulldozers, if over \$1,000 and purchased by a municipality, would not be subject to sales tax.

Mr. Rowe: For information purposes only may I ask this question? As to a bulldozer that is purchased for logging operations or for farm operations, is it exempt from taxation?

Mr. Benidickson: That is correct; in a general way.

Mr. Rowe: In a general way?

Mr. Benidickson: As you know, there is the matter of from the stump to the common carrier; I think that is the general phrase used in logging operations.

Mr. Rowe: The tax is on for construction companies; on bulldozers purchased by these companies there is a tax but for a farm operation or for making bush roads and so on, bulldozers and other machinery are exempt, are they not?

Mr. Fraser (Peterborough): A bulldozer is not exempt on a farm.

Mr. Rowe: Maybe your farm does not need a bulldozer.

Mr. Fraser (Peterborough): Yes, it does. That is why I asked about hydraulic equipment.

Mr. Benidickson: No. I am informed that in the case of a logging operation—that is the pushing out of the road—the bulldozer would bear tax.

Mr. Rowe: It would bear tax?

Mr. Benidickson: Yes.

Mr. Rowe: Nearly all other types of logging equipment are exempt, are they not?

Mr. Benidickson: Yes; generally speaking. There is a classification like the farm implement classification.

Mr. Rowe: In logging operations bulldozers are extremely important machines. Neither the provincial government nor the dominion government assists companies and loggers much in building roads which are helpful for fire fighting and are also absolutely necessary for the carrying on of their operations.

I might submit that I do not think there is any other item in logging operation equipment on which the exemption would be more greatly justified than it would be on the bulldozer. As the parliamentary assistant indicated a few minutes ago this afternoon, I realize that there has been a certain amount of caution and a certain amount of fear that some of these articles would be juggled, where advantage would be taken of the exemption and they might be resold or retraded. There may be administrative difficulties along that line but I wish to submit to the parliamentary assistant and his minister that serious consideration might be given to the exemption of bulldozers, machines which are of such great importance in production.

Again I want to emphasize the fact that it is highly desirable that roads should be built through the forests for the purpose of fire protection. I have often suggested that both provincial and dominion governments should co-operate to a greater extent with operators in order to get a better system of roads for fire protection and for the development of proper forestry through the various northern sections and areas that are not being operated effectively, in order to protect the trees from disease, fungi, fire and so on.

I just wish to draw this matter to the attention of the parliamentary assistant for his consideration. As everyone who is familiar with bush operations knows, in the matter of building roads a bulldozer is just about as essential as is any other implement in that field. I think some reconsideration might be given to this matter.

Mr. Benidickson: So far the exemption is limited just to the tractor portion of the equipment.

The Chairman: Shall the resolution carry?

Mr. Knowles: Mr. Chairman, I have no objection to the resolution carrying today, if that is the wish of the committee; but there is one other subject that I want to say something about. However, I am prepared to do it on second reading of the bill. Since I have indicated that there is such a subject, perhaps I should let the parliamentary assistant know what it is so that whoever is piloting the bill through the house at the second-reading stage might be prepared to discuss it. I refer to the request of charitable