

Excise

the hon. member for Moncton and the hon. member for Regina-Lake Centre in regard to the discriminatory aspect of another item in the bill, the unlicensed distributors and wholesalers of construction machinery.

I should like to read into the record, for the interest of the Minister of Finance, a letter which I received from Mr. R. R. Donaldson, Vice President, Algoma Truck and Tractor Sales Ltd. of Sault Ste. Marie. I think he made a very important point when he wrote:

In order to qualify for a federal sales tax wholesale licence, 50 per cent of a company's sales must be to tax exempt customers. Since our company's sales were below the 50 per cent requirement, we did not qualify for a licence. Because of this we have paid tax in excess of \$100,000 on our construction equipment in inventory at November 18, 1974.

An equipment distributor who qualified for a wholesale licence was not liable to pay tax on his inventory until time of sale. Therefore, his inventory at November 18, 1974, was tax exempt.

This situation places not only our company, but many other distributors who are in a similar position at a distinct competitive disadvantage when competing against licensed distributors. We feel the government should allow unlicensed distributors the same consideration as distributors who are licensed, in order to avoid this unfair condition.

It would seem to us that all equipment distributors should be entitled to the same tax relief as that offered the transportation industry by the recent order in council.

It will be recalled, that the Minister of Finance received representations from the transportation industry which found it had many items in inventory prior to the budget, and he promised a special order in council to provide its existing inventories the same 12 per cent tax relief that he provided in the budget. I would urge the minister to take the representations of these unlicensed distributors very seriously as well, because they are at a distinct disadvantage. The government likes to boast about its many programs providing aid to small businessmen, but when it comes to the crunch it pulls the rug from under them. If the minister has given a concession to one group in the transportation industry he ought also to give it to this group in the construction industry.

Mr. Munro (Esquimalt-Saanich): Mr. Chairman, I am glad the minister has returned because I should like to ask him a number of questions, and it would simplify matters if we could have a dialogue as we normally do in committee—the antiphonal type, we might call it.

I should like to follow up an inquiry made before lunch by my colleague, the hon. member for Calgary North, who asked the minister whether studies had been carried out in his department on the amount of energy to be saved as a result of this particular tax. While the minister might not be able to give the figures right now, I wonder if he would be prepared to make the studies available to the House before the end of discussion on this bill, or even give us some round figures on the amount of savings.

I do not get any sign from the minister that he is prepared to give me an answer on this occasion but I am prepared to risk sitting down in the hope that he will. If not, I shall immediately be on my feet asking more questions.

Very well, the minister does not have to answer, and I have a couple of other questions which I am prepared to put on the record anyway. I am sure the minister will help keep the record straight on this matter when I ask wheth-

[Mr. Symes.]

er budgetary revenues at the moment are running ahead of expectation, or whether they are falling behind the forecasts that he made when he presented his budget? Again I sense no inclination on the minister's part to answer.

● (1530)

Mr. Turner (Ottawa-Carleton): I will answer in due course.

Mr. Munro (Esquimalt-Saanich): I could build up certain hypotheses on the strength of these non-answers.

Mr. Turner (Ottawa-Carleton): They could be just as good as hypotheses on the basis of non-facts.

Mr. Munro (Esquimalt-Saanich): The impression one gains, from answers given during the question period and in committee of the whole, is one of deplorable arrogance on the part of the government. I suppose this is not to be wondered at, and I will go on asking my questions in the hope the minister will answer in due course. I would prefer him to answer right now.

Let me ask this: on the basis of budgetary revenues now coming in, does the minister foresee a surplus rather than the deficit he expected when presenting his budget? I see the minister making a note of that. Perhaps if I ask an outrageously phrased question he will stand up to correct it, although I am not too sure. Are national account revenues now running in the order of \$30 billion a year? I wonder if the minister could confirm or amend this figure of \$30 billion a year on national account.

Mr. Turner (Ottawa-Carleton): That is the budgetary account; that is right.

Mr. Munro (Esquimalt-Saanich): If that is so, the \$30 million the minister can expect to raise from these particular increases in the excise tax represents one-tenth of 1 per cent of that amount of revenue. I wonder if the minister has taken this fact into account in making his calculations. I see an hon. member about to rise. I do not want to be interrupted if the minister is not prepared to answer my questions.

Mr. Turner (Ottawa-Carleton): The hon. member is saying "What's \$30 million?"

Mr. Munro (Esquimalt-Saanich): In considering the relationship between \$30 million and \$30 billion, has the minister also considered the destruction of industries and reduction of employment in this country which will result from the imposition of the proposed excise tax? These are valid questions, and I am upset because the minister has not felt inclined to answer them.

Let me return to the minister's main argument. He claims that these taxes are being imposed in order to save energy. I agree with the hon. member for Sault Ste. Marie and with the hon. member for Parry Sound-Muskoka. They spoke about the discriminatory levy of about \$600 on a \$12,000 high energy consuming car which is used all year round, as compared with the levy of \$2,784 on a \$12,000 boat which is to be propelled for part of the year only by a relatively low powered motor. If there is any energy