

## AUTOMOTIVE INDUSTRY

## EFFECT OF CAPITAL COST ALLOWANCE ON CAR RENTAL FIRMS

**Mr. Bud Bradley (Haldimand-Norfolk):** Madam Speaker, my question is directed also to the Minister of Finance. In the minister's budget of November 12 he reduced the capital cost allowance on automobile rentals from 30 to 15 per cent. Since that time he has rescinded part of that directive and has actually increased the capital cost allowance on daily rentals. I suppose that would include people such as Hertz and Avis. He has increased it to 40 per cent. At the same time he left the automobile dealers of this country, who lease cars, at the original 15 per cent rate. Will the minister, in order to correct this obvious imbalance which he has created, make an announcement in his economic statement to correct this double standard and give the automobile dealers of Canada who lease cars the same advantages as are given to the daily renters?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, if the hon. member can convince me that I have created a serious imbalance, or that I have applied a double standard, then of course I would be pleased to consider his representations. I do not believe that either has happened, that there is an imbalance or that there is a double standard in application.

## REQUEST THAT MINISTER TAKE ACTION

**Mr. Bud Bradley (Haldimand-Norfolk):** Madam Speaker, I do not know what we have to do to convince the minister that there are problems facing small business in this country. One of the problems is that of the small businesses and the car dealers who lease cars. If a car dealer in Canada leases 400 cars at 15 per cent capital cost allowance, he stands to lose \$67,000 in the first year. Now Statistics Canada tells us that car sales in Canada are at a ten-year low. The car dealers of Canada, Madam Speaker, do not need this Minister of Finance. They wrote to him on March 6, they have telephoned him numerous times since then, and they have yet to get an answer from the Minister of Finance. My supplementary to the minister is very simple: just what does he propose to do to correct this screw-up he has created?

• (1150)

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, as I said to the hon. member, if he has a serious proposal to make and if he wants to demonstrate that there is an imbalance or a double standard, I would be pleased to listen to him, but in his question he has cited some statistics which I do not believe are correct or will stand up under examination.

**Mr. Bradley:** Read your mail, Allan.

**Mr. MacEachen:** If the hon. member wants to demonstrate that he has a case, I wish he would do so and not rely, as is the custom every day in the House of Commons, on rhetorical and abusive language in order to make a point.

## Oral Questions

## FINANCE

## AUTHORITY TO DISPOSE OF TAXPAYERS' PROPERTIES

**Mr. Bill Kempling (Burlington):** Madam Speaker, I have a question for the Minister of National Revenue. In the budget papers of November 12 last, it is stated that the minister may acquire and dispose of any interest in a taxpayer's property that the minister is given the right to acquire in legal proceedings or under a court order. What is the dollar amount which would trigger the Department of National Revenue's seizing a taxpayer's home and selling it from under him, and what is the status of such a seizure if an objection or an appeal has been registered and has not been heard?

**Hon. William Rompkey (Minister of National Revenue):** Madam Speaker, as far as I know the department does not actually get involved in seizing homes. There have been more instances in which, if all efforts to come to an agreement with the taxpayer have been exhausted, we obviously apply to the courts for the moneys that are owing to us. The sheriff in such a case would take whatever course of action is open to him under provincial law. However, to my knowledge there are no cases in which the Department of National Revenue has seized and sold homes. If indeed the member has a specific case he wants me to look into, I would be glad to do that.

**Mr. Kempling:** Madam Speaker, I am trying to prevent specific cases. I am wondering why this is in the act.

**Mr. Lalonde:** Hypothetical.

**Mr. Kempling:** No, it is not hypothetical. The government has the power under the Income Tax Act to seize and sell chattels. It has the power to garnishee wages. It has the power to seize and sell assets, and the power to seize a taxpayer's bank account.

## REASONS FOR DEPARTMENTAL POWERS

**Mr. Bill Kempling (Burlington):** Madam Speaker, I want to ask the minister why he is seeking the power to seize and dispose of a taxpayer's home. How much power does he want?

**Hon. William Rompkey (Minister of National Revenue):** Madam Speaker, we do not want, need or request any more power than we have at the present time, I know of no instances in which homes have been seized or sold by the Department of National Revenue.

**Mr. Kempling:** Why is it in the budget?

**Mr. Rompkey:** I do know that in some cases it is proper for the department to put liens on bank accounts and to extract moneys from bank accounts; that is, proper under the law.

**Mr. Clark:** Why are you seeking new power?

**Mr. Rompkey:** I know of no cases in which homes have been seized and sold. If the hon. member has evidence of that, I would like to hear from him.