

Excise Tax

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to Standing Order 75(11), the recorded division on the motion is deferred.

[Translation]

Hon. Pierre Bussières (for Mr. MacEachen) moved:

Motion No. 32.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 38 by striking out line 13 at page 45 and substituting the following therefor:

"Governor in council, which regulations may be made effective with reference to any period commencing on or after November 17, 1978."

He said: Mr. Speaker, quite briefly, this is a technical amendment, subparagraph (r) that is found on page 45 of this bill, which amends section 38 by allowing the Governor in Council to make regulations in order to identify certain manufacturers entitled to tax exemptions for machinery.

[English]

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion (Mr. Bussières, for Mr. MacEachen) agreed to.

Mr. Nelson A. Riis (Kamloops-Shuswap) moved:

Motion No. 33.

That Bill C-57, an act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, be amended in Clause 39 by striking out line 20 at page 45 and substituting the following therefor:

"cially designed for off-highway use, but including explosives for construction or demolition purposes) where."

He said: Mr. Speaker, while this amendment is perhaps not as important as the debate we will be entering into shortly, for many construction firms in Canada it deals with a very important issue. Traditionally construction items have been tax exempt. This has reflected an effort by the federal government to encourage the construction industry. That industry

operates in every single community across Canada. For some particular reason this very important commodity, dynamite, used in the construction industry is now going to be taxed.

• (1640)

The construction industry made it clear to the finance committee that in many parts of Canada this can be a very important cost. Across the board with the industry as a whole the cost of dynamite is not a crucial cost element, but in British Columbia changes in elevation of 10,000 or 15,000 feet are not uncommon, such as in the Rockies or the coastal range, and blasting rock is a very important aspect of the housing construction industry.

What this amendment does, Mr. Speaker, is simply include in the legislation a clause that would exempt dynamite from the 9 per cent federal tax. This is in keeping with a tradition which has existed in the construction industry I suppose from the beginning, that items such as dynamite ought to receive tax exemption, which is simply what this motion does.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I just want to make one comment. I agree entirely with the comments of the hon. member for Kamloops-Shuswap (Mr. Riis). Not only in the Rockies, but in the case of Chipewyan in the Fort McMurray area there is almost solid rock and it is very expensive to get dynamite up there. There are many places like this where dynamite is as essential as a tractor or grader or any other equipment. It is a vital part of construction and I certainly support the amendment introduced by the hon. member for Kamloops-Shuswap.

[Translation]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, I urge members to reject this amendment and I remind them that if explosives among all other building materials were previously tax exempt, it was under the provisions of the Excise Tax Act related to the tariff item granting tax exemptions. It restores the balance, and the hon. member for Edmonton West (Mr. Lambert) tells me that it is the case of several of the items discussed, and he is quite right. A distinction is made between the principles underlying a tariff policy and the policies underlying the Excise Act and the Excise Tax Act. These changes in the tax will make dynamite a taxable item as well as other equipment used for dynamiting, such as detonators and pads. Like all building materials, they will be subject to the excise tax. That is the explanation Mr. Speaker.

[English]

The Acting Speaker (Mr. Blaker): I should recognize the hon. member for Edmonton West (Mr. Lambert), but perhaps I can shorten the matter by saying that he has indicated the official opposition supports the amendment.

The question is on motion No. 33. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.