

ment will listen to the representations of hon. members and will consider them very seriously.

**Mr. Cullen:** Mr. Chairman, I wonder if the hon. member has written out his amendments, so that we could study them over the lunch hour.

**Mr. Knowles (Winnipeg North Centre):** Yes, he has them.

**Mr. Benjamin:** Mr. Chairman, I just want to add a few words to the comments made by hon. members in support of their contentions. I do not have too much sympathy for those who will be subject to the tax because they buy small boats or aircraft for pleasure. If they can afford it, then I am not too sympathetic to their complaints about the tax. Nor do I think that the wholesaler or retailer has much to complain about, because he passes on the tax to the purchaser. However, there is a very sound case to be made for the people who must have a small boat or a small, privately registered aircraft in order to move around in their day to day living. There are a number of large lakes in northern Saskatchewan, for example, surrounded by small communities where people take their children to school in a small boat and use privately registered aircraft for fishing. As I said, this is their only means of transportation to the nearest community where they can buy their groceries and other necessities. Surely in those instances the imposition of the tax is unfair. Surely we should favour people who live in those parts of Canada, namely, the northern parts of the provinces and the Northwest Territories.

I appreciate the fact that the government might find it difficult to carry out a program of exemptions from the tax, but surely it would be relatively easy to implement a system of tax rebate. When a person, in the circumstances I have just described, requires such a craft, not for pleasure but as a means of livelihood, he could apply for a tax rebate and get it. He could obtain an application form from the person from whom he purchased the craft and submit it for a refund. In almost all cases that would eliminate anyone getting an exemption who was not entitled to it.

I add my plea to the parliamentary secretary, in the hope that he will pass on all these requests and urge the minister either to amend the legislation or to accept appropriate amendments from private members to make what I consider to be a very appropriate change in the legislation. I repeat that I have little or no sympathy for people who complain about the tax and buy a boat for water skiing, for pleasure, or who buy an aircraft to fly around on holidays. Nor do I have sympathy for the corporation which buys aircraft to fly their board of directors around. Certainly they can afford to pay the tax and there is no reason why they should not do so.

**The Deputy Chairman:** Order, please I regret to interrupt the hon. member but it being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock the committee took recess.

### Excise

#### AFTER RECESS

The committee resumed at 2 p.m.

**The Assistant Deputy Chairman:** Order, please. When the committee rose at one o'clock, clause 21 of the bill was under consideration.

**Mr. Benjamin:** I just have a few more remarks to make in order to complete what I was saying when we adjourned for lunch. I believe the parliamentary secretary heard my remarks regarding small boats and aircraft. The only difference of opinion I have with my colleague from the Northwest Territories on his amendment is that, rather than the sixtieth parallel, I would like to have that line moved south two or three degrees so as to take in the northern parts of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Labrador as areas where it would be perfectly proper and legitimate to exempt or to allow a rebate of sales tax to purchasers of small boats and privately registered aircraft when they need them to earn their livelihood or it is their only means of transportation for taking the children to school or buying the groceries.

I would like to make one other point regarding industrial and construction equipment. A dealer from Regina met with me during the recess, and if I understood him correctly he made the point that an industrial or construction equipment dealer who is a wholesaler has not paid any tax on equipment that he has in inventory, but the distributor who is further down the line from the wholesaler and who had equipment in inventory prior to the budget is stuck for the tax on his inventory. It happens fairly frequently that a wholesaler will retail equipment, but in this instance the wholesaler will have an advantage over a competitor.

The dealer from Regina who spoke with me has several large 12-yard or 15-yard earth-moving machines on his lot, and it is impossible for him to compete with the wholesale distributor in attempting to sell that equipment to a private contractor. If he could sell it to a municipal or provincial government, which are tax exempt, he would have no problem, but this particular dealer has large sales to private contracting companies all over the province and in other provinces. I make a request on his behalf, and I suspect on behalf of many other distributors of industrial and construction equipment, for eligibility for a rebate on equipment that was in inventory at the time of the budget. I appreciate that there may be some administrative difficulties here which might require checking the franchise agreements of distributors with various manufacturers of industrial equipment; most of this equipment is imported. But it seems to me that this particular dealer is in an unfair position with equipment on hand worth \$10,000 or \$12,000 for each machine. That, obviously, is going to severely handicap, if not prevent him from competing in selling that equipment to a private purchaser. I would urge that that problem be taken into consideration by the parliamentary secretary or the minister and an amendment moved or, if this is something that can be done by regulation, we should be given the assurance that such action will be taken.

I would like to make one other point arising out of the remarks of a colleague to my right in the official opposi-