

*Excise Tax Act*

if the minister is ready to propose that amendment for the mining companies, as he did for the lumbering and logging companies, I am willing to wait until the last paragraph.

**Mr. Crestohl:** Perhaps before we approve this section under the heading "Municipalities" the minister could give us the proposed amendment to the last section.

**Mr. Fleming (Eglinton):** I did not say I was proposing an amendment to the last section. There is an amendment that was introduced into the resolution in committee of ways and means last evening.

**Mr. Chevrier:** The minister said he had a statement to make on it, did he not?

**Mr. Fleming (Eglinton):** Yes, when we come to that paragraph under "Processing Materials".

**Mr. Chevrier:** Would he make it now?

**Mr. Fleming (Eglinton):** It does not relate to municipalities at all.

**Mr. Chevrier:** The only fear we have is that if we wait until the last item "Processing Materials" to discuss the matter which the hon. member for Villeneuve wants to discuss it may be suggested we are out of order and that is why hon. members feel it should be discussed under this item.

**Mr. Fleming (Eglinton):** I expressed the opinion the hon. member for Villeneuve would be entirely in order in raising it there. I think that is clearly the place where it ought to be raised. There is no problem about his raising it at all. It was on that subject we had our discussion last night and clearly that is the place for it under "Processing Materials".

**Mr. McIlraith:** There seems to be a lot of time taken up on points of procedure. I hope my remarks will help to clarify it. The point under discussion last night was a proposed exemption for fuel oil for use in internal combustion engines in logging operations, and the suggestion was that should apply to mining operations and the production of minerals. The point under discussion now by the hon. member for Villeneuve is a different point. It is suggested there should be an exemption for diesel fuel oil for use in generating electricity, which electricity will be used for servicing groups of homes which in most parts of the country are grouped together in municipalities, but which in some parts of the country are not given municipal status but are operated by mining companies.

That latter point is in order under this subheading "Municipalities", and the other that was under discussion last night is in order

[Mr. Dumas.]

under the subheading "Processing Materials". I would point out to the committee that the hon. member for Villeneuve is now discussing a different point from the one discussed last night, except that both points apply to mining companies. That is the only thing they have in common.

**Mr. Crestohl:** Can the minister tell us if there is a definition of municipalities?

**Mr. Fleming (Eglinton):** Not in this act.

**Mr. Crestohl:** Then, how are we going to differentiate between the form of set-up that a corporation in the north country creates by which it builds 100 houses, builds some streets and, in fact, becomes a mining municipality and providing the same sort of service as will be given by organized municipalities? If there is no definition of municipality, could we not, in some form, cover that sort of organization by a mining company or lumbering company? I think that is what the hon. member for Villeneuve has in mind. They will be generating electricity by using diesel fuel oil, so why should a creation of that kind not get the same benefit as an incorporated municipality? It is, in fact, a municipality without legal status. If there is no definition in the act, would the minister think an organization like that would be covered?

**Mr. Fleming (Eglinton):** No, Mr. Chairman.

**Mr. Benidickson:** There is one saving provision, I would think. It would be in the interests of the mining company to organize something that was the equivalent of a municipality, apply for an improvement district or something of that kind, because by so doing in the province from which I come they would get substantial provincial grants for school purposes and things of that kind. So I imagine even in a company town there is some form of organization that is the equivalent of a municipality.

**Mr. Regier:** I wonder if the minister would be good enough to explain the Excise Tax Act as it now applies to the purchase of automobiles and trucks by municipalities and what changes are involved in that regard as a result of this bill?

**Mr. Fleming (Eglinton):** Automobiles purchased by municipalities are subject to the sales tax. This is the form of exemption permitted to municipalities in the case of the purchase of equipment which is designed for these purposes but my hon. friend has observed that there is a clear exclusion from the terms of exemption on automobiles and ordinary motor trucks.

**Mr. Regier:** I believe the minister will admit that certain classes of trucks are