

*Income Tax*

House with some other budget, is change it. In the present budget we are not dealing with a change to the Excise Tax Act. There is not even a possibility of an amendment at this stage.

**Mr. Whittaker:** Mr. Chairman, there is some urgency here. During this time of energy conservation these types of units have to be sold and should be sold. As far as I am concerned, the ruling of the Department of National Revenue is not correct. I should like to refer to the section of the act which deals with energy conservation equipment. That section deals with wood burning stoves, furnaces and space heaters, not including fireplaces, stoves, furnaces or space heaters which burn oil or gas. That section is something like an asparagus root, pretty badly tangled.

I listened to the remarks of the lawyers in this Chamber. As a layman, to me this section seems to indicate that the tax will be removed from woodburning stoves and heaters, unless it is necessary to use gas or oil along with the wood.

In this instance a Canadian company is manufacturing a heating unit which conserves energy. A ruling has been made with regard to an American company which indicates that it is all right for them, but it is not all right for a Canadian company in my riding. This really upsets me. Because this unit can be plugged into a fireplace, the ruling is that it is a fireplace. It has to be modified in order to be plugged into a fireplace.

For the last two months I have worked with the Minister of National Revenue in an attempt to get a ruling. I received a ruling yesterday indicating a reduction to 5 per cent. I believe heatilators should be dealt with in exactly the same manner as wood stoves or wood burning units. We have argued for over two years in an attempt to place wood stoves and wood burning units in exactly the same position as oil, gas and electricity. What kind of ruling is this?

I believe the Minister of Finance is fair and reasonable, but his department is not doing anything to remove the taxes from these types of units, machines, and materials which conserve energy. We have not got that much time. Time is running out for this company. As far as I am concerned, we must look after our Canadian companies. I realize this firm is in my riding, and I have an axe to grind because of that. Nevertheless, I believe the argument is valid. We do not have the time to look at it, and then come back with a different interpretation and a different ruling. I am asking for that now before it is too late.

**The Chairman:** I do not want the hon. member to think I am preventing him from speaking, but he is seeking an amendment which cannot be presented under the clause being dealt with in committee at this point.

● (2042)

**Mr. Ellis:** Mr. Chairman, I may find myself in a very difficult position and I support my friend, the hon. member for Okanagan Boundary, simply because I have encountered the same problem that heatilators conserve a good deal of energy. The majority are made in Hastings county. They should be

[Mr. Chrétien.]

down to zero per cent as well. The point I wanted to make to the minister is that in the United States the Senate is considering a tax credit for those people who use wood exclusively as a form of fuel. This is a step further than we have considered here. I want to make a representation to the minister that he look at the possibility of a tax credit for people who use the renewable resource, namely, wood, for heating, rather than coal, oil or gas.

**Mr. Stevens:** Mr. Chairman, before we vote on clause 6 may I point out that I indicated before dinner that I would like to set the record straight concerning the various comments the minister keeps making about the time that this bill has been before the House. He has repeatedly stated that it has been before the House for 32 days. As you know, Mr. Chairman, the first reading of this bill was on November 2, so clearly in no way could it have been before the House for 32 days. We have not even spent a month on it yet.

But the more important point is that the bill was not even introduced for second reading until November 7, and since that time, including the time we spent on second reading, the time we spent debating the first closure motion and the time we spent in committee of the whole, only 14 days have been spent on the bill. Of those 14 days, most were short days in the sense they were either Wednesdays or days when we had extensive questions of privilege or notices of motions with which Mr. Speaker had to deal. In short, it is totally misleading to convey the impression that the bill has been unduly delayed. It is particularly so when we bear in mind that this bill is really the son, if you like, of Bill C-56, which was brought out for first reading on June 15 and came out of the March 31 budget. That bill was not debated for one day in the House. In short, I hope the minister will refrain in future from misleading the House with any suggestion that there has been any undue delay in considering this bill, because it is not true.

**Mr. Chrétien:** I rise on a point of order, Mr. Chairman. I never said that the bill was before the House for 32 days. The hon. member mentioned 14 days. I think it was before the House more than 14 days, because the hon. member has not referred to the fact that there was an agreement in the House to permit longer sitting hours to make up, for example, for the day which was lost to permit the Conservative opposition party to have its national convention. On top of those longer days we spent six days debating the spring budget of the former minister of finance. I recognize that was not on the bill, but we spent six days debating those measures. Also, the opposition had warned the government that when the House resumed in the fall economic problems would be debated. In fact, in the eight day debate on the Speech from the Throne mostly economic matters were under discussion. When you add up all those days you find they come to more than 30 days.

**The Chairman:** In no way can the remarks of both hon. members who have spoken be related to clause 6.

**Mr. Friesen:** Mr. Chairman, I rise on the same point of order. I would like to ask the Minister of Finance if there is