

Excise Tax Act

Mr. Fleming (Eglinton): Mr. Chairman, I think there seems to be a misapprehension. The truck in that case has been exempt. The question that arose was in the case of a part of certain equipment, and here in the amendment we have spelled out the fire truck chassis for the permanent attachment thereon of fire fighting equipment to be used directly in fire fighting. Cases have arisen where it has been found that attempts have been made to add all kinds of things to the fire vehicle, on the truck chassis, which were not intended, and this amendment has been introduced to make it quite clear and assure to the municipalities exemption in the case of the fire truck chassis for the permanent attachment thereon of fire fighting equipment to be used directly in fire fighting.

Mr. Winch: Does that include the motor?

Mr. Fleming (Eglinton): This provision enables—and this was widely sought, I may say—the municipality to purchase the chassis from a local dealer and then take it over to someone else to have the firefighting equipment attached to it.

Mr. Winch: Would you mind answering my question.

Mr. Fleming (Eglinton): Because, if he buys the whole fire fighting vehicle, equipment and all, it is now tax exempt.

Mr. Winch: Why the devil don't you say so?

Mr. Fleming (Eglinton): The chassis, Mr. Chairman, includes the motor that operates it.

Mr. Winch: I am sorry, it does not.

Mr. Fleming (Eglinton): That is the interpretation that has been put on it and that is really what counts for people paying the tax.

Mr. Benidickson: If that is so, if the chassis includes the motor, surely it has always been an article of value over \$500. Would it be exempt under the existing legislation?

Mr. Fleming (Eglinton): It has not been a fire truck.

Mr. Crestohl: Mr. Chairman, the minister suggests the fear of a sale of a fleet of automobiles to a municipality and that ultimately those automobiles may be disposed of in a way by the municipality that the tax might not be paid? Now, when he suggests that a fire truck or the chassis of a fire truck could even be dealt with in such a way that something else could be constructed on it and again deprive the government of the tax, is he not going a little bit too far in questioning the integrity of the municipalities?

Mr. Fleming (Eglinton): Mr. Chairman, there is no questioning of the integrity of

municipalities involved; it is a question of constructing legislation which can be properly administered by the Department of National Revenue which is charged by parliament with that responsibility.

Mr. McMillan: I asked a question a while ago and perhaps the minister did not hear it. I wanted to know how the department would police the end use of pipe? For instance, four, six and eight inch cast iron pipe is used both in waterworks systems and sewage systems. According to this amendment, any agency might be named by the municipality or by the minister on behalf of the municipality. I should like to know just how the minister would police it in connection with these different agencies?

Mr. Fleming (Eglinton): Mr. Chairman, I am sure my hon. friend is aware that this exemption exists in the case of these things when purchased by municipalities. I am informed that there is no difficulty in the administration in this respect and none is anticipated as a result of the enactment of the proposed exemptions. It is a matter of establishing by invoice, or by whatever other form of proof is required, that the pipe in question was purchased as part of a sewage or drainage system.

Mr. McIlraith: Not for the waterworks.

Mr. Fleming (Eglinton): Not for the waterworks system or water supply. This has nothing to do with the purchase by individuals of pipe for the course of their own water supply. This has to do with purchase by municipalities, and I am informed that the department anticipates no difficulty in administration in this respect.

Mr. Bourget: In that case, would the municipality have to supply plans to show that the cast iron pipe will be used for the sewage system only, because very often cast iron pipes are used in other systems and you would not be able to detect that by the invoice. You would have to ask the municipality to show you the plans and the length and the size of the cast iron pipes. Cast iron pipes are used in other places. You cannot detect unless the department has a certain way of doing it.

Mr. Fleming (Eglinton): Mr. Chairman, I think it is a matter that we can be sure will be covered by the invoices in question. A point was raised on a similar subject in the committee of ways and means as to whether it may be necessary to take account of the change in the provisions of the law with regard to the ordinary documents pertaining to sale. That might be. In any event, it will be necessary for the municipalities receiving