

Excise Tax

[English]

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I want to indicate that we will support the amendment with respect to fishing and fishing equipment. I want to remind the House that the government's amendment is based on the illusion that one can readily distinguish between equipment which is used for commercial fishing and equipment which is used for sports fishing. The amendment replaces an existing section which is different and enumerates all the items to be exempt from the sales tax, as follows:

Fishing nets and nettings of all kinds; specially designed needles for use in repairing fishing nets; metal panel devices for use in keeping nets open; metal swivels; fish hooks, lures, jiggers and artificial baits; sinkers and floats including trawl kegs;

The section goes on to say:

—none of the foregoing for sports fishing purposes:

This is based on the illusion that one can readily distinguish between equipment which is sold for the purpose of fishing for sport and equipment used for commercial fishing. Who makes the distinction? Is it the store owner who decides that someone is going to be engaged in sports fishing, or is it the manufacturer who decides what equipment is going to be used in one domain and not the other?

I find it a little strange that the government would exempt an objective number of items that are described in such detail. It describes the interstices of each piece of twine and says which will be exempt.

At the end of this objective definition it introduces an entirely subjective notion, which is the purpose for which the article is intended. That is the kind of thing that can lead to invidious distinction and petty hardship for many inshore and offshore fishermen. I think it would be easier if this particular clause was dropped and the previous legislation retained.

As I am from a land-locked constituency—the old constituency of Broadview once opened on to Lake Ontario so I was not land-locked all the time, but Broadview-Greenwood has been cut off from the sea so I do not get extensive correspondence from fishermen—I would appreciate it if the minister would tell us how many complaints have been received from the industry and from the fishermen involved about the previous section and why it is necessary to replace it with this one.

I suspect that the accountants in the Department of Finance decided that they had discovered some discrepancy between this and the perfectly rational system they are looking for with such almost absurd persistence, and they are responsible for this amendment rather than having concern for the needs of the people in the industry.

[Translation]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, it is obvious that a quick look at the new provision of the Excise Tax Act and the Excise Act makes one wonder why such an administrative nightmare is created for so many wholesale dealers dealing with fishermen as well as for the Department of National Revenue. There have been many

representations made directly or indirectly by those involved in the fishing industry and as a result of those representations, the Department of National Revenue has set some administrative standards.

First of all, some equipment which clearly can be used only for commercial fishing, such as the large nets, various kinds of needles of a special design, sinkers and floats, will be automatically exempted from the excise tax. A second measure has been proposed by Revenue Canada. Storekeepers will be able to purchase other items which are normally used in commercial fishing, such as strings and fish hooks, provided they agree to collect the tax when they sell these items for non-commercial use. And finally, a third measure has been taken by Revenue Canada whereby wholesalers of fishing gear who meet certain requirements previously established by the department may obtain a permit enabling them to import the items duty-free and to declare the tax only when they become taxable under the excise tax, that is to say, when they are sold for non-commercial fishing purposes.

I believe, therefore, that these new arrangements made by Revenue Canada should solve most of the technical problems which may arise and allow more flexibility in the application of this section.

● (1610)

[English]

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on motion No. 30. Is it the pleasure of the House to adopt the said 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 section 11 of Standing Order 75, the recorded division on the proposed motion stands deferred until later this day.