

*Excise*

The third comment I wish to make in relation to this particular item—and I propose to speak on item 12 later when other hon. members have had an opportunity to record their problems—is to suggest to the minister, since he seems determined to risk losses in industry through the imposition of this tax, that there should be a great deal more coordination within the government on a number of programs which defeat the purpose of this item in the bill. I consider it as a sort of right hand-left hand syndrome, where the right hand does one thing and the left hand something else.

**Mr. Baker (Grenville-Carleton):** Both are blind.

**Mr. Turner (Ottawa-Carleton):** You had a good metaphor until Baker got into it.

**Mr. Munro (Esquimalt-Saanich):** For example, the Minister of Industry, Trade and Commerce, who sits immediately behind the Minister of Finance, through his department promotes tourism and industry, while on the other hand tourism and industry are being cut back by the Minister of Finance.

Another example is that of the Minister of the Environment who is responsible for a particular program, ably assisted by the Minister of State for Fisheries, namely, the small harbours program. This program promotes tourism and encourages the power boat group in this country who are able to enjoy the outdoors—and of course the Minister of National Health and Welfare does a great deal to promote the proper use of leisure. Power boating on the east and west coasts and on lakes is certainly a means of enjoying our great outdoors. However, the Minister of Finance cuts it back.

I wonder why there should be such poor coordination within the government. Perhaps if what the minister wants is coordination with his colleague in the Department of Energy, Mines and Resources, he might promote the causes of the Minister of Energy, Mines and Resources but run counter to three other ministers. I think they should get together when they meet from time to time, and work out some of their priorities. They should decide exactly where they want to go.

Taking into account the answers we have just received, I honestly believe in connection with twenty horsepower vessels, that those that are on the stocks might very well continue being sold without the tax. Boat builders will be aware of the fact that a heavier tax will be imposed and they will be quite happy to continue working with smaller vessels requiring smaller motors, and engine builders will reduce the size of the engines, having been given notice, first of the imposition of the three per cent tax and subsequently of a ten per cent tax on top of what is already known to be a 12 per cent tax.

All things considered, there should be at least a remission of this tax on orders that were undertaken before the date of the passage of this bill. This will serve notice to the boat builders and engine manufacturers in this country that smaller types of vessels should be built with smaller motors.

I see that I am not making any sort of impression on the Minister of Finance, so I shall resume my place and allow other hon. members to have their say.

[Mr. Munro (Esquimalt-Saanich).]

[*Translation*]

**Mr. Fortin:** Mr. Chairman, at the risk of repeating some of the arguments that were just given, I wish to draw particularly the attention of the hon. Minister of Finance (Mr. Turner) on clause 11 that affects very seriously and radically some industries in my riding.

I was listening to the Minister of Finance when he said that he maintained this tax with a view to save energy and to divert \$30 million into the coffers of the state.

Mr. Chairman, I wish to tell him without any comments that I have received a letter dated November 26 and which is aimed at attracting the attention of the minister so that he amend clause 11. It should be noted that those are industries which received economic development grants from the Department of Regional Economic Expansion and which now may have to close their doors or seriously reduce their activity precisely because of this tax that will increase the price of non commercial boats to a prohibitive level.

Mr. Chairman, this is the view expressed to the Minister of Finance. He received a copy of this letter. It was sent by Espadon Industries Inc., of Princeville and I quote:

After reading the budget resolutions of last November 18, we wish to ask you to withdraw the 10 per cent surtax on boats.

It seems that the surtax was advocated to save energy, but we suggest that the \$30 million that you intend to recover through this measure will have negative and not positive consequence because we are going to lose our market . . .

—and this in fact is going to occur—

. . . and then our only alternative will be to stop the activity of our business.

Anyway, it has been proven that boat operators consume only about one half of 1 per cent of the total energy consumed (see statistics of BIA and NAEEM of the United States), which means that this surtax will have no effect on the national energy consumption.

We are certain that the effects of this surtax will be much more unfavourable than otherwise for the country, for many other reasons that are too numerous to list in this letter.

You should therefore abolish this surtax . . .

This letter is signed by Mr. Gilles Létourneau, secretary-treasurer of Espadon Industries Inc.

Mr. Chairman, I hope that this will be food for thought for the minister. This is a typical French Canadian industry with a good reputation in Canada and the United States, which will now be unable to compete against a similar American industry and which moreover will see the price of its boat increase by 10 per cent because of this surtax. And all this supposedly to save energy, when statistics show that boats do not consume more than one half of 1 per cent of all energy consumed.

I have here, Mr. Chairman, another representation from the company Placements Suzor Ltée, which I will not read. It is signed by the president of Placements Suzor Ltée, Mr. Albert Audet, who owns a branch of the company called Sunray Boats Inc., a new, prosperous, well-structured, well-organized industry producing boats of excellent quality and which now risks disappearing sooner or later because of this surtax. Many employees of these industries will be laid off because the price of boats will become excessive with the 10 per cent surtax. In fact, this has already begun. Sales will go down, production will be