

Mr. Johnston: Madam Chairman, I represent an area in this country that considers itself rather hard hit by a variety of measures dealing with excise taxation following upon the budget. First of all, so far as excise taxation is concerned, one element that is missing from this bill is an increase in the basic exemption to persons selling articles of their own manufacture. This exemption still remains at \$3,000, which in these inflationary days is a ridiculously low figure, one that a minister so aware of the problems of inflation might well have increased. One really cannot make anything with \$3,000 any more.

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I am sure there is considerable wastage in the attempt to collect from people who are operating at that small level. They tell me that the form is stupid, and they resent the fact that the figure is so low regardless of the product being manufactured. For those who are working in the field of artistic endeavour, this is particularly difficult.

From the constituency point of view there are a variety of problems. Other parts of the bill deal with the 5 per cent airport tax which is a burden, particularly at airports such as the one at Kelowna and the one in Cranbrook where already a civic tax is imposed on passengers leaving those airports. The newly imposed federal tax will amount to double taxation. Certainly one thing that the minister should do, I think, is to return to the cities, out of the new federal collection, a sum that would permit them to consider removing their portion of the tax, because the present situation is unsatisfactory. It hits at both ends of the constituency that I represent, namely, Kelowna and Cranbrook.

Of course, Kelowna airport is outside my constituency, but it serves north Okanagan and the town of Vernon. Airport officials there told me that passengers on flights leaving the airport are taxed doubly as a result of the policy that has been introduced. On top of that there is the problem grape growers face because of the added taxation. I realize that this comes earlier in the bill, but much has been said about the way in which this bill frustrates various other government endeavours and programs.

Throughout the years we have had a federal agricultural research station in the Okanagan. A great variety of federal programs have been set up to assist agriculture, and personnel has been sent out from the Department of Agriculture. Every so often a breakthrough comes, as it did with the planting of the vineyards in the Okanagan, but later there is a realization that, although something is finally being achieved with considerable federal expenditure, a hastily conceived new tax placed on a product is detrimental to all the earlier efforts. I know that the minister has had representations from a variety of people there, and I think that he should take another look at that tax.

Finally there is the tax on pleasure boats under item 11, with which we are dealing. For quite a few years under earlier administrations the Okanagan Valley was a designated area. At one time the government of the day set up a program to encourage industry to develop in the area. It was a reasonably successful industrial effort, and a variety of enterprises were begun under that program. Yesterday, in speaking about these programs and the industries

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that were started, somebody said that a great many of the smaller companies had failed, and that the ones that were really successful may not have needed the incentive in the first place. I think this was a rather significant statement because the imposition of an unwise federal tax on small companies which do not have the economic finesse, or the resources to hire people to take care of the federal bookwork that is demanded, and to which the tax represents an enormously significant share of what should have been a company's profits, negates the effort and money that went into it in the first place.

Certainly the representations from the small boat industry at both ends of the Okanagan Valley should be carefully considered by the minister. He has heard the same story from a whole variety of people in other areas, on both coasts, and in the major lake areas in the country. When there is an economic turndown and when we begin to enter what might be called a recession, it is of course the leisure industries which are hit first.

In the north Okanagan alone, the payout in unemployment insurance has now reached a staggering figure. Some of the industries there are holding on, but confronting this kind of additional tax will be a cruel blow to the boat building industry of Lavington and Okanagan lake. Certainly it would be a rather stringent measure to save energy, if that is the prime purpose of this tax. It seems to me a strange way to tackle this problem. There must be methods which could be devised by the minister and the department to spread the load of energy saving a little more evenly across the country, if it is at present such a priority.

Anything that provides pleasure is a rather easy target to people when they are preparing a budget. They seem to think that such a tax will not be too greatly attacked by the general public. But in this area in particular I know that the minister has heard representations from the same people as I have, and he replied to them that he would take a very close look at this. Yet his words this morning must have been a disappointment to those people who have written.

Considering the volume of objections that he has heard in this debate and the enormous variety of sources from all across the country, surely he must recognize that this is a step that should not be taken lightly and that its effect, in terms of destroying industries that are well established, could be so far reaching and so detrimental in areas that have already been dealt other blows, that he should consider adopting the amendment put forward, or himself propose an amendment to withdraw item 11.

I believe that the minister's officials should gather some statistical information on how many additional people would be laid off as a result of this measure, and how much more the Unemployment Insurance Commission fund would be depleted as the unhappy result of proceeding in this fashion.

Mr. Reynolds: Mr. Chairman, I am sorry to see the minister leaving the House because I wanted to speak to him regarding something he said publicly, namely, that this bill was meant to save energy. I think that the minister has been listening to all the comments, not only from this side of the House but from his side. Practically every