

to shatter industries that have been built up over the years to service this part of the market in Canada. People in the small boat industry on the west coast are trying to compete in a very tough market with very capable boat builders in the northern United States.

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May I point out that boat builders on the west coast are finding it difficult to compete with United States boat builders. It costs about 50 per cent less to buy a boat in the United States. The boat which costs \$20,000 in Seattle costs about \$30,000 landed in Vancouver. The minister is making it impossible for the boat-building industry on the Pacific coast to compete with the boat-building industry south of the border. If ever there was a bad tax, a tax that will bring negative effects, it is this excise tax as it applies to boats.

I have in my possession a copy of a letter from a good Liberal who worked hard to defeat me and prevent my coming here. It is directed to the minister and points out the hardship that this proposed excise tax will bring to the pleasure boat industry. Apparently such correspondence from people in the industry has no impact on the minister. The person of whom I speak is involved in the tourist industry on the lower mainland, and sells many boats. He says that the average 18-foot boat in the Vancouver market sells for between \$4,500 and \$5,500, and that the average boat used in Vancouver is about 21 foot long and sells for between \$8,000 and \$12,000.

Mr. Turner (Ottawa-Carleton): We are not taxing them.

Mr. Huntington: I beg your pardon? The minister might listen and hear something worthwhile.

Mr. Turner (Ottawa-Carleton): I have the letter.

Mr. Huntington: Has the minister read it?

Mr. Turner (Ottawa-Carleton): That is right, yes. I read the letter.

Mr. Huntington: Has it made no impact on the minister?

Mr. Turner (Ottawa-Carleton): It is a good letter.

Mr. Huntington: Apparently the minister ignores good ideas. I do not know if there is much point in reviewing other good letters which the minister has received on this topic. One thing is sure: this tax will affect detrimentally the recreational boatbuilding industry. People will prefer to buy their boats offshore. Already more and more people prefer to buy their boats in Europe, take their sabbatical on them in the Mediterranean, Carribean or other areas, and bring them back to this country duty-free and without paying sales tax. Who can estimate how many payrolls will be lost to this country as a result of this tax?

The minister says that he is imposing this tax to conserve fuel. To that I say, baloney, Sir. The minister's reason for imposing this tax is not valid. I wonder what type of mind can countenance legislation of this type which will destroy the fruits of hard work, destroy what

Excise

people in the boatbuilding industry have worked hard to build up since World War II.

The government has tried to encourage the boatbuilding industry with subsidies and contracts. The Department of Transport carefully places contracts with small boatbuilders, to encourage them to develop their technology for the advantage of Canada. What kind of mind could consider legislation which will eliminate the manufacture in this country of boats of more than 20 horsepower? The United States manufacturers will have the entire market.

The minister's contention that he is doing this in order to conserve fuel just does not wash. I plead with him to remove this particular item from the bill. If he wants to conserve fuel, let him increase the cost of non-renewable fuels to the people of Canada so that demand can be brought into balance with world supplies. That is the only way to make people conscientious about fuel conservation.

Mr. Wenman: Mr. Chairman, although I have been critical of the Minister of Finance may I commend him for the way he has handled certain matters which have arisen in the House and for his promptness in dealing with correspondence which has been sent to him.

I, too, am prepared to be idealistic, because the minister has attempted to be idealistic in answering me. If I were a cynic I would say that the minister's attempts to conserve energy by increasing taxes are a red herring. I am not being facetious when I say that I assume the government, in imposing certain taxes, is trying to do more than garner as much revenue as possible. There must be some idealistic reason behind this decision to impose taxes which will affect the aircraft and construction industries.

I think the government's enthusiasm for conserving fuel used by light aircraft is misplaced. According to statistics provided by Aviation Planning Services of Montreal on general aviation in Canada, the sector facing a 10 per cent excise tax increase consumed only .3 of one per cent of the total petroleum consumed in Canada in 1972. Let me repeat the figure: it consumed .3 of one per cent. Yet the minister wants to attack the private aircraft industry. As I said, the petroleum consumption of light aircraft is minimal.

In addition, as letters and information indicate, small aircraft travel more miles to the gallon than the average family car. For example, if we want to curtail excess use of energy, let us consider that a light aircraft can carry four people at about 200 miles an hour and consume less than 10 gallons per hour. Such aircraft travel about 20 miles to the gallon, and most domestic automobiles go considerably less than 20 miles to the gallon. If the minister were to tax heavily those cars which go less than 20 miles a gallon he would recover a lot more than he will than by taxing the private aircraft industry. Perhaps that is an idealistic argument.

Unfortunately the minister is a southeastern Canadian, a Bay Street Canadian, and considerations I have raised are not reflected in his thinking. Let him look behind him, at his backbenchers, and ask what they want. Let him talk to the Minister of Indian Affairs and Northern Development, to the good member for Skeena and to other backbenchers who represent remote constituencies and travel to places other than New York and Toronto, and then tell