

Excise

Yours sincerely,

I have not yet said anything with regard to aircraft. I think it is the same sort of situation. In the northern part of Canada, which I believe is 100 miles north of the Canadian border, aircraft have traditionally held a strong position in our economy. For example, there is the bush aircraft. Many of us are not in the position of having the facilities of Air Canada, Pacific Western or some of the other large regional carriers. Most of the aircraft in the northern part of British Columbia and Vancouver Island are single-engine Cessnas and various other types. They play an important part in the economy of our country.

This tax will increase transportation costs. In northern areas, those costs are now high enough. I am sure it is not the intention of the government to impose a burden on those people fortunate enough to live in the northern part of Canada. With regard to the aircraft tax, I wish to quote from a letter received from a mining company in British Columbia:

We would like to take this opportunity to voice our strenuous opposition to the new special excise tax of 10 per cent on privately owned aircraft which was introduced on budget night, November 18, 1974.

This new tax was introduced on the grounds that private aircraft are "high energy consuming vehicles". Our company is the owner of a privately registered aircraft, a helicopter, that is by no means considered a luxury by management. It is used exclusively by our exploration personnel in the search for mineral occurrences in Canada and in the servicing of exploration programs in inaccessible areas. It is used only where its use will result in lower over-all costs and therefore actually reduces energy consumption. This aircraft is not used for the private benefit of any staff member or business or other associates. It is not used for general personnel transport where public transportation is available or when cheaper private transportation can be arranged.

Considering this utilization, we feel that this new tax is an unfair additional burden on us and on others using aircraft for similar purposes. It would be just as practical to make such a tax applicable to bulldozers!

We earnestly solicit your serious consideration—

An hon. Member: Then comes the small print.

Mr. Anderson: Yes, Mr. Chairman, then there is the small print. The people of Comox-Alberni have only one spokesman in the House of Commons. Fortunately or unfortunately, that is myself. I must protest very strongly on their behalf regarding the proposed additional 10 per cent excise tax on boats and aircraft. To do less would be a dereliction of my duty as a member of parliament from a maritime constituency. I ask the minister to reconsider this tax and let his excellent judgment, which has been demonstrated on many occasions, come to the conclusion that the tax is not required and is in effect harmful to Canadians and Canadian industry.

Mr. Darling: Mr. Chairman, there has been considerable talk about this proposed 10 per cent tax on boats. The minister has received considerable criticism from members of parliament from British Columbia, and very little from that "small and insignificant" province where I happen to represent the constituency of Parry Sound-Muskoka. There are about eight million people, and twice as many boats, in the province of Ontario as in all the other provinces combined. Mine is the banner tourist area for the whole Dominion of Canada. I am wondering which of the great mandarins or masterminds in the minister's

[Mr. Anderson.]

department thought up the crazy idea of this additional 10 per cent tax on boats. The minister said yesterday this tax would generate an additional \$30 million in revenue and was supposed to cut down gas consumption. He did not say it would increase unemployment, but certainly that is what it will do.

• (1230)

Let me say a word or two about gas consumption. This matter has been discussed by several hon. members. The amount of gas used by operators of small boats, on a percentage basis, I suggest, would be about three-quarters of five-eighths of you-know-what. It is certainly less than one-half of one per cent of the total consumption and is peanuts when we consider the total. This is one area which I hope the minister will consider further.

Soon after the budget was brought down, on November 28, I wrote the Minister of Finance indicating the many complaints I had received from boat builders, marina operators and distributors. This boat building industry is the lifeblood of the economy of the Parry Sound-Muskoka area, and it is very important to other areas of the country. Other hon. members have referred to the additional cost of boats, but let me point out that there has been little opposition from manufacturers of Lincoln and Cadillac cars. I suggest that is for a very good reason. Here we are talking about \$6,000 boats and a surtax of 10 per cent. Let us compare this \$600 surtax with the proposed surtax on a Lincoln or Cadillac car. The ordinary Cadillac weighs approximately 5,000 pounds, and the new tax will amount to \$200. The Oldsmobile 98 and the Buick Electra are heavy cars, weighing about 4,800 pounds. The surtax is a measly \$75, compared to \$600 on a boat that sells for half the price. Cars are used 12 months a year, whereas boats for the most part are only used for three months. I consider the minister to be a man of considerable fairness. I think he has been led down the garden path by some of those slick birds in his office who slipped this tax increase in without knowing what it was all about.

Many of the boats in my area are required for transportation purposes. The minister, in his wisdom, announced on November 18 a reduction in the tax on building materials of 6 per cent. This was a good idea even though it was a little late. Does the minister realize that many people buy boats instead of summer cottages? The minister is soaking the hell out of these people and giving a break to the more affluent who can build a summer cottage: that individual gets a reduction in tax.

There are many people with expensive boats, but the minister is not worrying about them. There are a great many people in the average income class who would certainly like to own a small boat. There are some who own boats but cannot afford them. These people use the boats for fishing and other recreational purposes. They will not be operating them steadily. They use them to get so far out in a lake for fishing, and turn the motor off. This is another consideration in respect of gas consumption.

I should like to refer to another aspect of this matter as it relates to motors of 20 horsepower or greater. I assume the minister lives by the Ottawa River. Let me remind him that there are a great many lakes in this country on which it is unsafe to go out in a boat equipped with a motor of