

Government Orders

• (1605)

When the government thinks that its policy to charge less tax on cheap tickets will benefit air transportation to remote areas, it is wrong. Its policy will benefit the short haul, high volume flights between Montreal and Toronto, for instance. These destinations will benefit, but at what price? The price will be paid by people in remote areas, as if they were not paying enough already.

Montreal-Toronto flights have a high volume of business people, and business charter operations will benefit as well.

Bill C-32 will merely increase the burden on the regions and further isolate remote areas. And this is a measure that has absolutely no connection with the other measures in this bill. It should not even be in Bill C-32. The government put this measure in to make things difficult for everyone. Summer is coming, and they want to sneak this through the House.

The Bloc Quebecois believes that regional transportation services should benefit. The government had a chance to set up a rate system that would have benefited regional transportation. It was a wonderful opportunity for the Liberal government to prove, just for once, that it has the regions' best interests in mind. But of course, they failed to rise to the occasion.

The regions have suffered enough as a result of deregulation. It is time to turn the situation around and let the burden of regional transportation costs be shared by remote regions and urban regions. That would be fair.

In conclusion, today the regions are at a tremendous disadvantage as far as transportation costs are concerned, a fact that is adversely affecting their development and has made them second class citizens.

[English]

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, it is a pleasure for me to rise and speak on this bill.

I represent an area that has a large number of tobacco producers in it. They look quite favourably on this bill and what it will do to rationalize and give the industry which has been attacked over the years in a number of different areas more certainty on where it will go in the future.

I want to talk about a particular part of the bill. I follow this issue quite a bit. One of the areas this bill deals with is how tobacco is processed and gives a definition of a processor and manufacturer.

In section 182 on page 61 of the bill is a definition of tobacco manufacturing which states "means any activity (other than farming) relating to the manufacture or processing in Canada of tobacco and tobacco products". That could pertain to almost anything. It could pertain to people who make cartons or people

who make the paint that goes on the cartons that we put the tobacco in.

In fact there is one company in my area of Haldimand—Norfolk that is hit by this. It does not manufacture cigarettes. It had nothing to do with the smuggling situation. It is an independent group, not tied in with any of the big three. The intent of the legislation, other than to reduce taxes to deal with smuggling, was to hit back at the big three, those the government felt might have had, remotely, something to do with the smuggling that was going on cross border.

This small independent company processes tobacco, meaning it buys from the tobacco board, threshes the tobacco, bundles it up and ships a good majority of it overseas to export markets. It had nothing to do with the problem but because of the way the legislation is written it is caught up in it.

• (1610)

I ask the Minister of Finance if he could look into the situation of these small companies and see what he can do to help alleviate the taxes. They have to compete internationally with other companies and I do not see why they should be caught up in this legislation.

I believe the intent of the legislation is not to catch them, but unfortunately it will. Therefore I call on the government today to do something about it.

Finally, I will conclude by saying that I support Bill C-32. It will do what it is intended to do; stop the smuggling.

The 200 some odd smoke huts that were throughout Haldimand—Norfolk and on the Six Nations reserve are no longer there. Only a few of them are left. This bill has already done what it was intended to do. It has sent a strong message that we will not support this type of activity. It has done a lot for the communities, especially the Six Nations. A number of the elders have come to me to say thanks for bringing forward legislation like this. They feel that sort of activity should not happen on the Six Nations. They feel anything they can do to help us out in this regard they would gladly do.

There are other parts of the the bill which I obviously do not support, such as the export tax, but I can say quite heartily that I and the producers in my area support this bill as a whole.

Mr. Garry Breitzkreuz (Yorkton—Melville): Mr. Speaker, I have a few remarks to make in addition to what I said at the previous readings. These remarks are with regard to the amendments presented by the Bloc, the Official Opposition, on the air transportation tax.

We will be opposing the bill because of the reduction in taxes on tobacco and so on. Basically we support the government in the other aspects of this omnibus bill. We support the government's changes to the air transportation tax. It is moving toward privatization, moving toward user pay, moving toward cost recovery so that this part of the industry does not have to be