

*Excise*

reduction in price—perhaps to a limited degree—if the sales tax had been removed entirely, rather than reducing it to 5 per cent.

One of the greatest costs of the building materials merchant is the cost of administration involved in collecting the sales tax. If business generally could be relieved of the cost of tax collecting, whether it be the small country town lumber yard or the large discount operation on the outskirts of major cities in Canada, it would be of great benefit because this additional cost represents a large portion of the profit margin of the dealer in building materials. Of course, we must not forget that he will not take it out of his profits; it will go right to the consumer.

● (1230)

The consumer is always at the end of the line. The consumer pays every charge whether it be an increase in taxes, an increase in returns for government, an increase in unemployment insurance contributions or an increase in minimum wages. No matter what it is, John Citizen, the consumer at the end of the line, pays. I am amazed, at times, at some of the naivety that comes out of the mouths of certain people, or out of the pens of others, demanding that this or that be done or that this or that cost be saddled on to business, to the cost of commodities. It may be somewhat indefinite, but one thing that is not indefinite is the cost: it goes right on the back of the Canadian citizen generally, as a consumer.

Over the years this whole process has been one of the greatest exercises in self-delusion, in dissipation, unproductive labour and unproductive expenditure. This is part and parcel of the overgoverning that Canadians suffer not only at the federal level but at the provincial level because of the way some of the provinces behave. I cannot differentiate between the federal government and the provinces.

**Mr. Turner (Ottawa-Carleton):** Like Edmonton.

**Mr. Lambert (Edmonton West):** There are some parts there that I could criticize. I do not believe the government of my home province is necessarily a paragon of virtue in its administration. I must say it inherited an awful structure, and everything cannot be changed overnight. In any event, I would say that on general principle my remarks should be remembered. That is the reason I would like to have seen the total removal of the sales tax on building materials. Certainly it has been shown to be a regressive step ever since it was introduced or extended primarily in 1963. It was then at a level where about one-third of the building materials bore sales tax liability, but the real impact came in 1963.

Now I come to the air transportation tax. This was the subject of a budget some three or four years ago. I remember at that time I moved an amendment which would have changed the impact of the tax and would not have disturbed ways and means. I will always remain unrepentant, unforgiving and unchanged in my opinion concerning the correctness of my motion. A citation from Erskine May was quoted against me in the ruling, but one must never take as absolute gospel what is written in any book. In this particular case, a little research into the references in Erskine May showed that the editors of that book had

erred and exactly the opposite had been the situation regarding two decisions taken by chairmen of committees in the British House of Commons during the time of World War I. This was the authority on which Mr. Speaker of the day based his decision that my motion was out of order. May I say, however, that I am satisfied it was in order.

At this time I do not intend to move for a change because, in effect, the minister has now come to the formula for which I was asking at that time although I must say the impost is slightly higher. Presumably he has been influenced by inflation and has almost doubled the impost I had in mind at the time of the previous presentation. There were two difficult points involved, but the Minister of Transport (Mr. Marchand) has since cleared one up. I refer to the implication that the tax would apply to tickets sold at Canadian travel agencies for travel exclusively outside Canada. That point has been cleared up.

One point, however, has not been cleared up, and I would invite the Minister of Finance (Mr. Turner) and the Minister of Transport to look at it under the regulatory powers. This tax is all-encompassing. It covers all carriage by air for reward. Under the previous proposal, air transportation below a minimum weight—in other words, what you would call the puddle-jumpers in the north, the two or four-seater aircraft in an area where people are completely dependent upon air transportation—was to be exempt. People in the frontier communities of the north who were most hard hit were being hit every time they wanted to move. It was proposed to exempt them from the effect of the air transportation tax.

Unless I am very wrong, the interpretation of the proposal at this time catches everybody: it would catch the person flying from Yellowknife to Fort Simpson, from Simpson to Norman Wells or anywhere down the Mackenzie, or anyone going to Frobisher or any of the northern communities. The reference is to all air carriers or commercial air services.

**Mr. Baker (Grenville-Carleton):** What about Ottawa to Carp?

**Mr. Lambert (Edmonton West):** My hon. friend asks, what about a little flight from Ottawa to Carp?

There would be a tax on that type of transport whether it involved a two-seater Cessna or an eight-seater plane that could use the Carp airport, unless exempted.

**An hon. Member:** Are you sure there is an airport there?

**Mr. Lambert (Edmonton West):** I should like the minister to tell us what justification he will offer to these people for the heavy impact on this tax. Then I will ask him whether it will apply in the case of aircraft operated by mining and oil companies, as well as others, for the transportation of their employees in the case of a subsidiary company organized for transportation purposes and where the actual charge for the transportation is fixed on the basis of the amortization of the unpaid balance and depreciation schedules in respect of the aircraft.