

*Excise Tax Act*

many such items which are legitimately nutritious, which have reasonable nutritional content for the price demanded, and which can legitimately be included in a proper nutritional diet.

I wonder if a spokesman for the Government would tell us at which point cereals become confectionary. Over the past few years we have seen the rising popularity of granola which has translated into products known as granola bars which are highly nutritious and of which I, in my travels, consume a fair number. One must wonder whether there is a line and whether the Government is planning to make a wider range of food products subject to the federal sales tax. I hear one of the Members opposite who represents a farming constituency making a comment. I would point out to him that when the consumption patterns of foods are changed, it is not necessarily Canadian farmers who benefit.

Similarly, with regard to what are to be classed as soft drinks, there is a very fine line to be drawn. There are products on the market today which are compounded of real juices, artificial flavourings and carbonated water. In passing a measure such as this, we have to ask whether this represents the thin edge of a wedge for the Government. Is it a measure which is being tried out to see what the public reaction will be? Is it some sort of kite flying to see whether a wider range of products could not be subjected to the federal sales tax in the future?

The subject of pet foods has not been adequately addressed in the debate to this point in time. It is unfortunate that there are some Canadians who consume pet food as part of their own diet. I do not point that out in an attempt to exploit it for its emotional value, but merely to state it as a fact. With regard to the question of health goods, let us look at the likely effect of the institution of the federal sales tax on medical substances and devices that were not previously subject to the federal sales tax. My impression, Mr. Speaker, is that in at least a marginal way, if not a wider way, it is going to impact on the operations of our health care system. Will it not lead to people paying more visits to the doctor, which visits are not entirely necessary, because the prices of the remedies which they have come to know, use, and trust in the past are now rising in price by 10, 15, or 20 per cent, depending on what happens between the manufacturer and the retailer? They may find, particularly with drug insurance that is available to many Canadians, although unfortunately not to all, that they can get these items virtually free by visiting the doctor rather than getting them on their own.

I would like to discuss the effect that the increase in taxes on fuels will have on the more remote northern parts of Canada which depend on transportation systems for all the major inputs of life. They depend on transportation systems for personal movement and for the transportation into the community of most of the goods consumed there. This situation can only be described as one of double taxation. For example, an airline operator in a community such as Big Trout Lake in my riding has to fly in large amounts of gasoline, preferably during the winter, in order to run his operation throughout the year. Therefore, the impact of the tax is in

essence ratcheted. It is subject to a gearing factor, and the consumer is going to see far more than the pro-rated effect by the time it reaches the price of an airline ticket or the price of freight rate for bulk commodities. This is, of course, because tax is being paid on the gasoline used to transport the taxable gasoline for future use.

That is hitting at a community which is one of the lower consumers of the support services provided by the federal Department of Transport. I know that the Hon. Minister of State for Transport (Mrs. Blais-Grenier) will be very pleased to confirm that for any Member of the House who may ask her. In fact, there are parts of this country where there are no federally maintained airports, runways, or control towers. While these areas can get weather forecasts, they are made for a larger area and cannot be relied upon too much for the smaller areas and shorter trips that these planes are making. There are planes, after all, Mr. Speaker, that serve their entire lives without ever touching a federally assisted runway because they are always operated on floats and skis. While it is not easy, obviously, to relate the actual cost of the services that those operations do consume, I think that the Government would be willing to acknowledge that, on a per airplane basis, the consumption of those services and, therefore, the impact on the budget of the federal Department of Transport is lower than that of those aircraft that are using airports and of those airlines that are using the wide range of services which provide such a safe and efficient transportation system throughout southern Canada.

The impact on prices in communities where all commodities must be brought in by air is not going to be of the same percentage order as the actual increase in taxation because it, too, will be ratcheted by the effect of using that tax paid fuel to get the product to the distribution centre, from the distribution centre to the jump-off airport where it will be flown north, to fly it north and finally to distribute it throughout smaller communities.

I would like to turn now to the so-called sin taxes, Mr. Speaker. I think that we should acknowledge that although we may not ourselves sin in all the ways that are taxed, there are very few of us who sin in none of the ways that are taxed. The Government, which in its Throne Speech offered something for everyone, is now getting something from everyone. I would like to look particularly at the effect of excise taxes on alcohol in Canada's tourist industry. It is my belief that many factors are being ignored in the imposition of that additional tax. It is not simply a question of what the final effect would be on the price of a drink in a given bar. Rather, it is a question of the way in which the market perceives it, the way in which people who are coming to Canada look at what is happening. There are, after all, price points in every form of service. Let us, for a moment, imagine the situation of someone saying to his neighbour in the United States that he went to Canada and it cost him \$3.65 for a martini. Let us also remember that generally speaking, the effect of the very large exchange premium tends to go completely by the listener on first examination. They think of where they were when they last saw a martini