

Excise

impose an additional charge, in the form of this excise tax, on equipment that is essential to the survival of people in northern Manitoba. It is about time somebody—and I hope to do this—brought to the attention of the rest of Canada and the government the situation that exists in northern Manitoba.

If the government insists on imposing taxes of this kind, I am afraid we will find that the natural resources we are trying to harvest in northern Manitoba will not be harvested: people will not be able to afford to harvest them. If we want to encourage people to work in the remote areas of Canada, we must provide some incentive. There is certainly no incentive to anyone to go into the north, particularly for the first time, when he is faced with having to purchase a boat for transportation, or perhaps an aircraft, and has to pay this 10 per cent tax. To me this tax is ridiculous.

The other matter I want to talk about is the tax on air transportation. This has caused untold hardship for the small air carriers in northern Manitoba. The small air carrier operator out of Thompson, for instance, has to impose a 5 per cent charge on the air tariff. In many cases he may charge the 5 per cent on the basis of using a DC-3, and then uses a 180-Cessna and has to reimburse that additional tax. Very often when the government issues vouchers for its personnel to travel on small commercial aircraft in northern Manitoba, the vouchers include the 5 per cent tax. However, on many occasions these individuals travel on smaller aircraft and—

[*Translation*]

Mr. Fortin: Madam Chairman, I rise on a point of order.

The Assistant Deputy Chairman: Order. The hon. member for Lotbinière on a point of order.

Mr. Fortin: Madam Chairman, I would like to point out to the Chair that there are now in the House 20 Liberals, 10 Progressive Conservatives, 3 New Democrats and 5 Social Crediters. This means that we are now in considerable numbers in the House, contrary to what the Chair said a while ago.

The Assistant Deputy Chairman: I am sorry but the hon. member must surely be aware that this is certainly not a point of order.

[*Translation*]

Mr. Fortin: Madam Chairman, I rise again on a point of order.

In view of the precedent created today in that we count hon. members in the House every hour, I point out that it will be my duty to count them in the future, until such time as the Chair changes attitude towards the Social Crediters.

[*English*]

Mr. Smith (Churchill): Madam Chairman, I was saying that the 5 per cent tax on air travel is causing utter chaos for the small operator in the remote north who does not have the personnel necessary to collect this tax. In many cases the operator has to reimburse the individual who ends up travelling on a smaller aircraft. If we are really interested in developing the rest of Canada—and I some-

[Mr. Smith (Churchill).]

times think the rest of Canada means from the Ontario border out to British Columbia, because many taxes are imposed to cover the more developed areas without any thought of the problems they create in the remote and developing parts of Canada—we must seriously consider the unique problems in the north or we will discourage development there. In order to encourage development we must create incentives. These incentives can be created through tax concessions of some sort for people moving into the remote parts of Manitoba and northern Canada.

Mr. Ellis: Madam Chairman, when speaking on Bill C-40 it is difficult to add very much on the subject of boats since so much has already been said. One thing that does strike me is that we are adding a tax on top of a tax. This means that the treasury department of the government will be making more profit from these transactions than will the manufacturer or his employees, the wholesaler or distributor or their employees, or the retailer or his employees.

● (1540)

At a time when retail sales are lagging, employees of retailers are being laid off or are working shorter hours. Retailers and wholesalers are facing cutbacks and a reduction in profits. Approximately 23 per cent of their profit goes to the government for little or no input—certainly no useful input. Retailers and wholesalers who could go bankrupt in transactions such as this, and in fact have been known to go bankrupt, receive little or no sympathy. Nevertheless, the government still gets its pound of flesh.

Madam Chairman, I wonder if I might ask you to call to order hon. friends to my left who are being particularly noisy this afternoon, all three of them. One of them is perhaps the instigator, but all three are noisy.

The money that is received from these taxes is going into the government's coffers. What is the government going to do with all the money it has collected? What has the government done with money collected from similar taxes in the past? I suggest that the answer is that they have done very little, certainly very little of interest to the manufacturers of boats, to the wholesalers, distributors and retailers of boats, and a whole lot less to the owners of boats. These boats provide pleasure to many families in what is commonly called the middle class. These people, who already bear a major portion of the tax load in this country, are sometimes called the silent majority. Perhaps they are the ones who most need a break on a Saturday or Sunday afternoon to get away from some of the pressures imposed by this government. I strongly suggest to the minister that he consider a break for these people. He would not be giving anything away, but merely reducing the load that is already on them.

I want to add a few words with regard to private business aircraft. I think it has been firmly established that the amount of fuel used by this type of aircraft is absolutely minimal in comparison with the consumption of energy in the country. In a country as vast as Canada, aircraft are an essential means of transportation for businessmen. Many people may look on this, and perhaps the minister does, as taxing the rich who can afford it. But I say to the minister that this is not so. Certainly, the majority of aircraft owners pay perhaps more than the