

INCORPORATED HAMLET OF PAULATUK
 PAULATUK, N.W.T. XOE 1N0
 "SOUTH WIND CAPITAL"

PRESENTATION ON FEDERAL GOODS AND SERVICES TAX

Below are a few observations of the affects the new N.S.T. will have on northerners specifically people in Paulatuk.

1. Drygoods - the cost will rise 9% as of January 1, 1991. Drygoods in Paulatuk are not merely household goods and conveniences but necessities of life, such things as clothing, ammunition, firearms, traps, etc will rise making them less affordable.

2. Big ticket items such as ski-doo's, boats, motors, will go from atmospheric to outer space. These items are extremely expensive presently and to add 9% will put them out of reach.

The idea that with the reduction of the 13% manufacturers tax being passed on to the consumer is a myth. It will never happen, especially in the north where there is little competition.

3. Many good foods deemed "luxury" have become northern staples because of their long "shelf life" these goods will be taxed.

4. The cost of services involved in getting goods to the store will rise.

The following items will be taxed causing the prices to rise;

- a) Initial purchase cost
- b) Insurance
- c) Banking
- d) Freight



5. Communication - due to our isolation communication such as mail, phone, fax, will rise causing prices to go up. The budget cost rise will be Truck and Charter prices which will have to be passed on to the consumer. (much of our food comes by truck and plane)

6. The Bureaucracy - the amount of paperwork and time spent remitting tax will cost the consumer more money in that these services will have to be paid for.

The above are a few of the major affects on the people of Paulatuk. This tax will affect northerners more then people in the south simply because of the fact that goods and services cost more to begin with. With the added cost of tax collection and remittance the cost of goods will not go up the simple 9% but I would say 12% would be more realistic.

