

*Excise Tax Act***PROCEEDINGS ON ADJOURNMENT
MOTION**

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): Pursuant to Standing Order 40, I wish to inform the House that the questions to be raised tonight at the time of the adjournment are as follows: the hon. member for York-Simcoe (Mr. Stevens)—The Canadian Economy—Reason for Delay in Setting Wage Guidelines; the hon. member for Sault Ste. Marie (Mr. Symes)—Energy—Oil—Basis for Calculating Length of Delay Before Increasing price; the hon. member for Oxford (Mr. Halliday)—Agriculture—Industrial Milk—Request for Reconsideration of Levy.

GOVERNMENT ORDERS

[English]

EXCISE TAX ACT

The House resumed consideration in committee of Bill C-66, to amend the Excise Tax Act—Mr. Turner (Ottawa-Carleton)—Mrs. Morin in the chair.

On Clause 3.

Mr. Peters: Madam Chairman, it has always been the case that if I buy a ticket in Canada to go to a foreign country which has an airport departure tax I, in effect, on purchasing my ticket pay the departure tax here and at the other end I again pay the departure tax. However, people coming here who have bought a round ticket in their country of departure do not have to pay the departure tax twice.

I am well aware that there are some advantages to this system, but it seems to me that anyone coming here from another country would not be making a contribution to the departure procedure here. I am wondering whether an Ottawa departure tax should be applied to a ticket which does not indicate such a tax has been paid. On a ticket bought in Canada I believe the amount paid would be \$10, which would involve \$5 going and \$5 coming.

Obviously there must be a cost involved in respect of people coming here to cover the surveillance costs and other things, but they do not pay the tax. If the Olympics go ahead we will probably find that many people will be visiting Canada in the next year and yet they will not pay any departure tax from our airports.

Mr. Turner (Ottawa-Carleton): I do not quarrel with what the hon. gentleman has said. However, jurisdiction over the tax is at the place in which the ticket is purchased, but the departure tax on the other hand is applicable at the port of exit. What the Minister of Transport ought to consider on the basis of the hon. gentleman's representation is a reciprocal departure tax, and I will draw it to his attention.

[The Assistant Deputy Chairman.]

● (1700)

The Assistant Deputy Chairman: Shall Clause 3 carry?

Mr. Knowles (Winnipeg North Centre): Madam Chairman, I have tried to follow the minister in all his explanations about the tax being the lesser of (a) or (b) etc. I notice that according to the final clause of the bill, sections 2 and 3 shall come into force "on August 1, 1975, which is only about four days away. Therefore can the minister tell us now what the tax rates will be on August 1, bearing in mind that the governor in council has the right to fix an amount below the maximum amount set in this bill? Could the minister give the information to us, both for domestic and international flights?

Mr. Turner (Ottawa-Carleton): The maximum is \$8 for both.

Mr. Knowles (Winnipeg North Centre): I should just like to draw the attention of the Minister of Communications to this new system of beaming from the official gallery which we have. It seems to have worked a lot better than some other methods of communication.

Mr. Baldwin: It is kind of expensive.

Mr. Benjamin: In Clause 3 I notice the following words at line 26:

such amount as may, for the purposes of this subsection, be prescribed by order of the Governor in Council on the recommendation of the Minister of Transport;

I note in the act that that clause came under 10(2) and (3) and it was not in the section in which it is to be found now. I wonder why it is being changed. Apparently in the old Excise Tax Act that part applied to domestic flights, but it was taken out and now it applies to international flights. Is that correct, and if so, why?

Mr. Turner (Ottawa-Carleton): The hon. member may be looking at the old bill. This tax was originally imposed a year or so ago.

Mr. Benjamin: I am referring to clauses 2 and 3 and the explanatory notes, which read:

These amendments relate to the air transportation tax imposed by subsections 10(1) and 11(1).

Then we have the following wording under (b):

such amount as may, for the purposes of this subsection, be prescribed by order of the Governor in Council on the recommendation of the Minister of Transport.

This does not appear further down in the part which would now apply to Clause 3 of the bill.

Mr. Baldwin: Look at the top of the next page.

Mr. Benjamin: It was in the old act under Clause 2, but will not be there any longer. Is that correct?

Mr. Turner (Ottawa-Carleton): Yes, the same flexibility is now given to foreign flights that was given on domestic flights.

Clause 3 agreed to.

On Clause 4.