

*Excise Tax Act*

**Mr. Harding:** Mr. Chairman, there are one or two questions I wish to address to the minister and a few comments I would like to make. The minister indicated earlier there would be no charge in respect of certain types of aircraft weighing under 18,000 pounds. I did not quite catch his comments with regard to helicopters. I wonder if the minister could tell us when charges will be levied against those chartering helicopters, and whether the weight classification also covers this type of aircraft. Would the minister give us that information at this time?

**Mr. Gray:** Mr. Chairman, I pointed out a little earlier in the discussion that excluded from the definition in proposed section 8 would be the type of air carrier that is in class 4 of the air regulations, but not in groups AA and A. These are carriers authorized to operate charter services in Canada by means of aircraft with a maximum authorized take-off weight of less than 18,000 pounds. I am informed that this would exclude from the definition of air carrier virtually all helicopters now in use. There are certain other classes of air carrier which I read into the record earlier, and I presume that in so far as helicopters may come within those classes, they would also be excluded.

● (4:50 p.m.)

**Mr. Harding:** I should like to thank the minister for that explanation. There are a few points I should like to raise in connection with the bill generally. Again, it would seem to me that the proposed tax has no truly equitable basis. It does not relate to distance travelled but directly to the rates which are charged. Other speakers have drawn attention to this point. I should like to do so, also, and to object to this unfair method which is particularly disadvantageous to people living in the northern areas, in the rural areas and to those travelling on the short runs.

Within the last month we have had an unhappy experience in my riding—a 30 per cent increase in the rates charged by local carriers. This increase was authorized by the air transport committee which felt, I presume, that the company had to be granted an increase in order to carry on. However, it has resulted in our rates being much higher than those charged by the national carriers. This is the point. Here we find a sharp increase affecting northern areas, and we find similar increases affecting the north generally, for a variety of reasons: there is a smaller population on which to draw, and it is much more

difficult to take passengers into these out-of-the-way places. The people affected by these higher rates are the ones we are hitting right between the eyes with this tax, and hon. members who represent them have every right in the world to protest it.

As the hon. member for Gander-Twillingate has just asked: Who gets hurt most? It is the people in the outlying areas. Those who live in the cities where all the facilities exist, all the good facilities as far as airports are concerned, would pay the least tax under this proposal. Not only do those who live in urban areas have better facilities, but they have better means of communications generally as well as better landing fields, better means of guiding the aircraft to the landing fields, and so on. I suggest to the minister that he go back to the department and look for a better method of applying taxation to those who use air transportation, if he is in favour of a system of just taxation. After all, this is supposed to be a just government heading for a just society.

There are one or two other points I should like to make. First, will the minister tell us whether the department has computed the cost which would fall on the government's own resources if this tax were approved? Will cabinet ministers, government staff and public servants generally be excluded from payment, or will the tax be levied on their fares and charged to the treasury? If an inquiry on these lines has been made, would the minister tell us the estimated cost of the tax to the government itself? Is there to be any charge levied, for example, in connection with fares paid by personnel of the Armed Forces who use air facilities? These are questions which the minister should answer this afternoon.

Earlier today an hon. member made what I thought was a good pitch in favour of a monopoly as far as Air Canada is concerned. I thought he put forward a strong argument. We as taxpayers pay the entire cost of building airports and constructing facilities all over Canada.

I now turn to another question which has been raised this afternoon; I understand the minister intends to inquire into it. A whole host of private operators from one end of Canada to the other use the facilities at our airports. Where do they come into this tax picture? I submit that if we levy a charge on the poor Joe who has to ride on a plane, then, by golly, the others who use the transport facilities should also be charged. When does