

*Adjournment Debate*

need the money and, second, how they are going to collect it and whether they can figure out a system for people travelling short distances which would be more fair. People who travel short distances, other than people on the west coast, are usually the people from the east coast, the most depressed area in Canada.

**Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence):** Mr. Speaker, I appreciate the problem the hon. member faces. He has explained it very well and the problem with regard to short flights. May I begin my answer by reading the press release put by the Department of Transport on December 4, 1973. It reads:

The \$2.80 airport charge announced yesterday, which is to be levied on air carriers, will be applied only once regardless of the number of planes a passenger embarks on in the progress of a continuous one-way trip, transport minister Jean Marchand announced today.

In his news release of yesterday, Mr. Marchand announced that the airport charge will be levied as soon as the administrative details can be worked out. To clarify questions which have arisen, Mr. Marchand said there will be only one charge regardless of how many planes a passenger embarks on in the course of a continuous one-way trip.

This answer obviously affects to a major degree people flying on shorter airline routes. It is true that achieving reasonable equity in the collection of this charge, while at

the same time minimizing the impact on any particular group who use the airport facilities, is a difficult task. The earlier proposal for an air transportation tax had the advantage of being directly related to air fares and thus in relative terms it appeared less onerous. However, while the impact of the transportation tax may have appeared less severe, in terms of equity based on use of facilities it had obvious undesirable features. The current airport charge which is to be collected from the air carriers at the rate of \$2.80 per enplaning passenger is in fact almost directly proportional to passenger use of airport facilities.

The airport charge is levied on the carriers. It is not yet clear how they will choose to recover the costs involved. However, in the competitive air travel market it may be that strategic pricing will require the adjustment of any particular air fare by more or less than the amount of the airport charge. Until carriers have obtained approval for any revisions to tariffs it will be difficult to know what the final impact of the airport charge will be.

It is intended that the levy on air carriers of \$2.80 per passenger will remove a portion of airport facilities' costs from the general taxpayer and will have them borne by those who choose to travel by air. This, in my view, is a significant step in achieving equity and fairness in the allocation of airport costs.

Motion agreed to and the House adjourned at 10.30 p.m.