

*Excise Tax Act*

Despite this, some 15 airstrips have been constructed by the northern affairs department of the province of Manitoba. I assume that no consideration has been given to passing on part of this 5 per cent tax to the province, which has to bear much of the cost of maintaining these airstrips.

We also require air transportation services between such places as Churchill and Winnipeg. The minister may point out that other modes of transportation are available, but Canadian National Railways have already made application to withdraw their passenger service between these two points. Although they may not do so for some time, when they do it will be absolutely essential to maintain air services between these two points.

I agree that some form of taxation or some assessment can justifiably be imposed upon those who use the facilities of the Department of Transport, such as air terminals, airfields and runways in various parts of Canada. Although, as I have mentioned, in the northern parts of the province of Manitoba some of the runways have been constructed by the province, the Department of Transport is going to impose a 5 per cent tax on all aircraft exceeding 18,000 pounds capacity which use them.

I think the minister should take another look at this situation. I would also point out that the only mode of transportation between Churchill and Yellowknife, Edmonton and Yellowknife and on to the Northwest Territories is aircraft. This bill will discriminate against people travelling in northern areas who are obliged to travel by air.

**Mr. Gray:** Mr. Chairman, I see another hon. member rising but perhaps I could first reply to the remarks of the hon. member for Churchill. As I understand it, the airstrips built by the province of Manitoba to which he referred, are of a rather basic type. All the air traffic control and navigational facilities, as well as a meteorological facilities, are provided by the federal Department of Transport. To this extent, therefore, the people using the airstrips benefit from these services.

People flying from these airstrips to cities like Winnipeg would benefit by using the facilities at the airports which this tax will be used to help maintain. Let us not forget, as I said yesterday evening, that the sole purpose of the tax is not the maintenance or expansion of airport buildings or runways; I understand it will be used to help pay for the whole range of services that are provided by the federal Department of Transport in the

field of air transportation. Therefore, when assessing what benefit people in the areas to which my hon. friend referred will derive from this tax, one should bear in mind that they will use the facilities provided by the Department of Transport and any expansion or improvement thereto that may be brought about. I remind the hon. member that charter aircraft of less than 18,000 pounds take-off weight are not subject to this tax.

**Mr. Simpson:** I do not want to belabour the point, Mr. Chairman, or to get into an argument with the minister. I agree that the Department of Transport is providing navigational aids at airstrips built in northern Manitoba, but I wish he would talk this matter over with his colleague the Minister of Communications. I have been urging the minister during the last few days to do something to improve the mail service in these areas. Although there is daily use of these airstrips in northern Manitoba, the mail carriers sometimes claim they cannot land because of bad weather. They have not complained of lack of navigational aids, but they have indicated that bad weather has prevented their landing.

I should like to know whether the Department of Transport feels that these navigational aids are adequate, and that lack of adequate facilities is not the reason mail carriers are unable to land on these strips.

**Mr. Southam:** Mr. Chairman, my remarks will be very brief on this bill which seeks to impose a transportation tax. I want to lend my support to those colleagues of mine who have voiced protest at the nature of the tax. I, like other hon. members, agree with the principle that services provided at airports should be paid for on a self-liquidating basis, but at the same time I feel that the bill has a discriminatory feature. I do not agree with the *ad valorem* tax; I lean more toward supporting a per capita tax. Other hon. members have remarked on the fact that the per capita tax is applied in other countries across the world, and I do not understand why simply because our great neighbour to the south happens to apply an *ad valorem* tax we should also adopt this principle.

I recently had the honour to be delegated by the House to attend the 15th annual conference of the Commonwealth Parliamentary Association in the British West Indies. While there I had occasion to do a little travelling by aeroplane, and I noticed that a per capita tax was applied at the airports.

Mention was also made of the fact that the operators of small aircraft in the north, those

[Mr. Simpson.]