

clear and unequivocal before we proceed with the debate. I intend to raise certain questions on this item, but they would be pointless unless that is made quite clear.

Mr. Speaker: Presumably those would be precisely the kind of questions that could be put to the minister during the committee stage of the bill, even pending a decision on this clause. I have no way of knowing whether the committee is disposed to continue discussion of the clause or go on to other clauses. That is a decision the committee will have to take while I consider the point of order. If there are no other contributions, I will leave the chair for the House to resume committee stage of the bill.

The House resumed consideration in committee of Bill C-40, to amend the Excise Tax Act and the Excise Act—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the chair.

On clause 1—

Mr. Nystrom: Mr. Chairman, I rise briefly to ask the minister a question. On Friday a number of us raised a whole series of possible amendments regarding the transport tax in the north on, for example, pleasure boats, small boats, motorcycles, and so on. I should like to ask the minister whether he intends to introduce some amendments in those areas. I know from private conversations that members on all sides of the House would agree to some changes. This is not a political question.

Mr. Turner (Ottawa-Carleton): I have taken note of the comments made on second reading. Perhaps a more appropriate time to deal with them would be when we get to the particular clauses. I will be glad to address myself to those points at that time.

Mr. Nystrom: My point was to facilitate the activities of the committee and to ascertain whether we might expect amendments in some of those areas. If the government is preparing them, it would save us some work.

Mr. Turner (Ottawa-Carleton): I would prefer to wait for the particular clauses. That is the procedure I have followed.

Mr. Lambert (Edmonton West): On clause 1, Mr. Chairman, I raise the whole question of the air transportation tax. The form of this bill is different from the amendments first introduced to the Excise Tax Act with regard to the air transportation tax. There were some stated exemptions on classes of aircraft by weight and category. I should like to get a clear indication from the minister as to how he intends to proceed in order to relieve the burden of this tax on the frontier areas. I know he intends to do so.

● (1630)

Mr. Turner (Ottawa-Carleton): I think that is a satisfactory procedure, Mr. Chairman. We agreed that clause 1 would be considered to be a definition clause and we could carry on a general discussion at this stage before we got into the other clauses. Perhaps hon. members would like to follow that procedure.

We are really talking about clause 7 here, which is paragraph 18(c) of the act, relating to regulations. The amendment to subparagraph (c) is consequential to the amendment proposed in clause 1, which is the definition of

Excise

“certified air carrier.” What the hon. gentleman is putting to me is the question, what are the exemptions? New paragraph 18(c) provides regulatory authority to exclude certain classes of air carrier from the air transportation tax. This provision will provide regulatory authority to exclude many of the air transportation services provided in the north and remote areas if such services require the use of aircraft below a specified weight.

Mr. Lambert (Edmonton West): Mr. Chairman, I am questioning this because if we look at the explanatory notes, the definition of “air carrier” as previously set out in the act indicated—I will not go over the first three lines—beginning at the fourth line:

... commercial air service under any one or more of the following classifications, as described in those regulations, that is to say: class 1, class 2, class 3, class 4 (groups AA and A), class 8, class 9-2, class 9-3 and class 9-4 (groups AA and A) ...

We want to know whether it is going to mean the same thing now.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I can give the hon. gentleman some advice that I got from the Department of Transport on the proposed regulations. The current amendment being proposed for the air transportation tax legislation will permit taxing all classes of service and weight groupings under the act, but will permit exemptions by regulation. That is what paragraph 18(c) will give. The following exemptions are in the regulations already: all aircraft at regular, specific points in classes 2 and 9-2, all aircraft under 18,000 pounds; classes 3 and 9-3, at regular, specific points, all aircraft under 18,000 pounds; classes 4 and 9-4, charters, all aircraft under 18,000 pounds; classes 5 and 9-5, contract service. This includes all area aircraft under contract service. Class 6, flying clubs, all aircraft of flying clubs; class 7, special services, all aircraft. The inclusion of classes 2, 9-2, 3 and 9-3 for aircraft under 18,000 pounds in the group to be exempt from tax was on the basis of consultation with the industry and other departments. As a matter of fact, I am advised that these exemptions go beyond the requests of the air transport associations and that they are likely to be satisfied.

The first type of exemption, then, is based upon aircraft weight. There is a second type of exemption for geographic areas, for example the north. There is no general exemption by geographic area, specifically the north or other relatively remote or undeveloped areas. The introduction of the \$5 ceiling on the percentage tax will provide greatest relief on the longer-haul routes and in areas where air travel costs are higher, particularly the north. In other words, the \$5 limit is of particular benefit to the north. The exemptions granted on the basis of aircraft weight will have the greatest effect in the north. On January 31, 1974, there were 355 aircraft registered in the Yukon and the Northwest Territories and only 19 of these were over 18,000 pounds and, thus, possibly subject to tax. So the burden is not heavy on northern Canada, Mr. Chairman.

Mr. Firth: Mr. Chairman, I should like to make a few remarks regarding Bill C-40 and the taxation of transportation, specifically vehicles and outboard motors. I think it would be of benefit to the people in the Northwest Territories and the northern parts of certain provinces where the hunter, the trapper, the fisherman and prospector will