

Excise Tax Act

lives in an area near it or if he lives in a community near the airport at which he is going to arrive. While the statistics available are useful for certain purposes, I do not think they have been put together in such a way that I can easily answer the type of question asked by the hon. member. I say this not to disparage the question but merely to point out that there may be room for developing statistics in this particular field.

Mr. Lundrigan: Perhaps I am being a bit unfair to the minister to expect him to have at his fingertips the kind of information I have been seeking all afternoon. I would like to say that he has done a commendable job. However, I would ask him to consider my question again with respect to the people who will actually be paying the proposed tax, especially those travelling from rural areas, and communities of a type such as Churchill Falls and Wabush, and can he say what type of passengers they are? This question also covers people from isolated areas in the other northern regions of the country. Would he have some of the experts in his department review these questions and report to members through a circular, detailing the type of persons who will be paying the main burden of the tax? Can he give us this undertaking?

Mr. Gray: I would be very happy to consult with the officials to see to what extent the statistics presently available, or which can be readily gathered, could be used to give the type of analysis which the hon. member is seeking. It would be a most interesting type of analysis and possibly could be useful in many ways. Once I have completed this consultation I will communicate with the hon. member and tell him what I have been able to ascertain. I thank him for his comments. I find it a bit flattering to have him think I might be able to deal with such a profound matter at such short notice, but I will certainly do the best I can under the circumstances.

Mr. Harding: Is the minimum amount that can be charged for an adult \$2 on any flight?

Mr. Gray: The proposals actually involve two different types of tax under the same general heading. Most of our discussion this afternoon has been related to the *ad valorem* or percentage tax on travel to points in the taxation area defined in the bill. This is roughly within continental North America. There will be another tax which will be on a flat rate basis, on tickets for travel outside

the taxation area, that is to say, travel to points outside continental North America.

Initially it is proposed the tax would be in the amount of \$5 per ticket, but the Governor in Council would be given the authority to reduce the tax below that amount if the United States Congress passes a bill of the kind which is presently before it, which would give the United States government the authority to impose a similar tax on international flights. By giving the Governor in Council this authority we would make sure we would not be imposing a tax that would be much different from that of the United States, because if the tax in the United States were very much lower it might have the effect of encouraging Canadians to go to that country and begin their travels abroad from there rather than using Canadian carriers.

Mr. Harding: In my area we have several very short hops. One is from Castlegar to Cranbrook. The fare used to be \$10. Then the Air Transport Committee increased the fare by 30 per cent. A 5 per cent tax on this fare would be 65 cents. Does the minister mean to say we have to pay a \$2 tax for that short jump?

Mr. Gray: Absolutely not, Mr. Chairman. The tax on tickets for transportation within Canada, or from Canada to the United States and back again, would be a percentage of the price of the ticket, and if 5 per cent would come to 65 cents that is what the tax would be. The minimum amount would apply only with respect to flights from Canada to points outside continental North America.

The Deputy Chairman: Does that conclude the study of paragraph 8?

Some hon. Members: Carried.

Paragraphs 8 and 9 of clause 1 agreed to.

The Deputy Chairman: Shall paragraph 10 carry?

Mr. Lambert (Edmonton West): Let us have the yeas and nays.

Mr. Bell: What do you think we have been waiting for?

The Deputy Chairman: Order. I understand the paragraphs are not carried.

Mr. Lambert (Edmonton West): Yes, they are. That is the understanding.