

Adjournment Debate

short routes. This is part of the elementary mathematics to which I referred in my question of January 4. If a traveller has to pay \$3.80 on a trip where the fare amounts to only \$13, \$14 or \$15 it is obviously more onerous than a tax of \$3.80 on a trip where the passenger pays a fare of \$150 or \$200.

This question has been raised a number of times, not only by me but also by my colleagues on this side of the House over the past few months. We have kept at this question of the head tax because of the unfair implementation of the proposal and the burden that it would thrust upon passengers on short routes. Consequently, I was pleased to learn that our representation had found a favourable hearing and the proposed head tax was to be deferred.

This gives us, therefore, a breathing space so that we can think matters out more completely and come up with something more equitable. When I rose last week to raise this question I suggested there was a formula that could be devised to combine the percentage approach with the single levy approach. The minister said he found it very difficult to combine these, and I inferred that it was a matter of simple mathematics. Unfortunately, I did not have the opportunity through a supplementary to explain my elementary mathematics.

None the less, following an offer made by the minister I handed to him a hastily scribbled note following the question period on that day indicating how such a combination could be worked out. I followed this up with a letter dated the following Monday, January 7, the text of which I should now like to read into the record:

Dear Mr. Minister:

I wish to follow up the question I raised with you in the House on Friday, January 4th relating to the Head Tax on the passengers using Canada's air service because in your reply of the previous day you had indicated that no method had been found to combine a flat levy with a percentage charge. I suggested to you on Friday that the problem of combining these two was not all that complicated. My reasons for doing so are set out below:

A levy of \$2.80 per passenger trip on short hauls where the fare can be as low as \$13.00 (i.e., Vancouver-Victoria) imposes a very heavy burden on travellers amounting to almost 22 per cent of the fare. The same levy assessed against a traveller on the Vancouver-Halifax run, on the other hand, would be just a little more than 2 per cent. The inequity of these two levies is apparent to all.

What I suggest here, and what I suggested to you in the hand written note I gave you on Friday, is that if this tax has to be collected at all, a percentage levy be imposed on fares up to the point where your \$2.80 level is attained, and that thereafter the \$2.80 be collected. In my hand written note I suggested a 5 per cent levy on fares up to \$56.00; because of the heavy density traffic situation on some of these short runs you might think it would be more appropriate to raise that to 10 per cent on fares up to \$28.00. Or perhaps a 7 per cent tax up to \$40.00.

I do believe that using this system the inequity of the levies would be more evenly distributed.

This is one method, and I suggest it involves elementary mathematics. It might be described as a fluctuating base with a fixed top. There is another method, that of a fixed base with a fluctuating top with, let us say, a charge of \$1 or \$1.50 on short hops of 30, 35 or 40 miles and a 5 per cent levy on long-distance hauls.

I raised this question in the first place, and have continued to raise it, on behalf of those people who travel on short hauls such as the one between Vancouver and Victoria. There are others which can be discovered by simply

leafing through any airline schedule such as the one from Ottawa to Toronto and the one from Toronto to Montreal. A \$2.80 levy would put a heavy burden on those travelling on these short hauls. I think there are other means of doing this, and I would like to feel that the ministry is able to come up with a more satisfactory answer.

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, the recently announced airport fee is not a passenger tax levied directly on the passenger but a fee which will be levied on the air carriers and paid by them directly. As stated by the minister, one of the principles accepted by the ministry in introducing the airport fee is that users of facilities and services provided by the government should assist more directly in meeting the costs incurred. This relieves the large number of general taxpayers of having to assist in financing facilities which they do not utilize.

The airport fee is designed to meet costs incurred in providing airport facilities and services, and the distance travelled is not considered a factor. It is considered that the recovery of this fee by the airlines from the individual passenger will be carried out in such a manner that the short distance passenger will not be unduly discriminated against.

The original proposal for an ad valorem 5 per cent tax on the price of the ticket was not acceptable to many on the grounds that the long-haul passenger was discriminated against because no additional facilities at airports were utilized, whereas the new airport fee is levied on air carriers based on usage by the passenger irrespective of the distance to be travelled. The effect on short-haul air carriers cannot yet be accurately assessed, but in the unlikely event they are being hurt financially by the application of the new airport fee, other means of financial assistance should be provided.

As to the question of applying an ad valorem tax on short hauls along with a flat fee on long hauls, this would create really impossible legal and administrative difficulties. To apply the ad valorem tax in this way would require a rewriting of the existing legislation as contained in Bill C-155 as approved by parliament in 1969. Such revisions would necessitate new legislation to be prepared and submitted to parliament. Charges under the aeronautics Act are made on a unit basis. The reason for this is that services and/or facilities are not provided at varying levels. Under the Aeronautics Act, an ad valorem basis of charges would be considered discriminatory as services and facilities are not provided relative to the value of the ticket.

● (2310)

YOUTH—ALLEGED ABANDONMENT OF PROGRAMS—REQUEST FOR STATEMENT

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I am here tonight appearing on what is referred to as the "late show" because of the inadequacy of the responses to my questions put to the Secretary of State (Mr. Faulkner) on December 14, 1973. Perhaps it would be informative if I reminded members of the questions I asked on that date. I said, first of all: