

*Excise Tax Act*

Gander-Twilligate who speaks of people who have to use airports frequently. The more frequently people use airports, the more often they would pay the flat rate.

One hon. member suggested that a departure tax of \$1 on each occasion would be sufficient. When one looks at the total number of passengers carried, which is something, if I can recall correctly, in the area of 10 million per year, it becomes evident that the tax would have to be much higher in order to yield the approximately \$20 million a year.

Let me assume hon. members that in this type of discussion it is my intent to listen as carefully as I can to the points they raise and attempt to respond in a constructive way. Certainly, however, as the hon. member for Peace River has said, in formulating any type of tax there are problems of equity and no matter what type is considered there are problems associated with it. It is a question of having, to decide on a form which would appear on balance to have the smallest number of problems associated with it and which would be the least inequitable, and in fact most equitable in comparison with other possible measures.

If one is to accept the principle supported by the hon. member for Edmonton West that users of facilities have a special obligation to contribute toward the cost, maintenance and expansion of these facilities, then I submit that on balance the proposals in this bill are those which deserve the support of this committee and the House.

**Mr. Harding:** Mr. Chairman, I asked the minister a question which he has not answered. I asked whether his department had computed the tax the government would have to pay in respect of this air tax. I have not heard an answer. I imagine that this tax must have been computed, because there are budgetary restrictions in respect of all departments and surely any government which wishes to do a good job with its budget would take this into consideration. I would ask the minister to reply to my question.

**Mr. Gray:** I regret that in attempting to summarize and put together a response to a vast range of very interesting comments I did not deal with my hon. friend's point. I understand it is not generally customary when developing proposals of this sort to make the computation or analysis my hon. friend suggested. After all, the same kind of point could be raised when one looks at the impact of the changes in the sales tax in relation to purchases by the government.

[Mr. Gray.]

(5:30 p.m.)  
This is a form of consumption tax which is analagous to the sales tax. It would seem to me the point the hon. member has in mind does not have the weight it would otherwise have if I am correct in saying that the total number of civil servants who travel is very small, or relatively small in relation to the total number of people carried by air in any particular year.

**Mr. Nystrom:** I believe the minister said that the user fees, charges, or whatever you want to call them with respect to private aircraft and people who travel in them are now under review by the government. When does he expect that this review will be completed, and does he expect legislation to be introduced on the matter? Further, when was the last review made of this particular matter? I ask these questions because the users of private airplanes also benefit from the services and facilities of public airports.

**Mr. Gray:** I understand this review is being carried out in a very intensive and active manner at the present time. While I cannot give the hon. member the exact date, I would expect it would not be too long before the results of the review are announced. It is my understanding that in order to raise the user fees it would not be necessary in most cases, if not in all cases, to have a change in legislation. It is something that can be done by changes in regulations on the basis of authority already given by Parliament.

**Mr. Lundrigan:** Mr. Chairman, my colleague from South Shore has raised this matter, and the minister has reflected on it but has not given us any conclusive evidence. I know he has talked to his advisers. Can he now indicate the flow of traffic in Canada in terms of air travellers? Is the main flow from the rural areas, which I might classify as the Atlantic region and the northern areas of Canada?

**Mr. Gray:** Perhaps our discussion illustrates the need for a different way of computing statistics with respect to travel by air and the use of air facilities. Perhaps we should bring this to the attention of DBS. I understand statistics are presently collected on the basis of arrivals at and departures from airports. I do not have these exact statistics with me. It may not be particularly useful to look at these figures for the purpose we are pursuing at this point, because they do not show whether a person leaving a particular airport