

*Excise Tax Act*

Toronto and Ottawa 20 times. He states that the person from Peace River would pay \$300 for his ticket but it seems to me that the person who travels between Ottawa and Toronto 20 times would surely pay more; the person making such great numbers of short trips of this kind could pay at least \$400. The percentage of tax in the total cost of his ticket would amount to more than that for the person from Peace River.

As my hon. friend says, equity is a very difficult problem when constructing any type of tax. After considering all the problems and difficulties, it will be found that the method we are proposing to the committee is the best and most appropriate one for dealing with them.

**Mr. Lundrigan:** Mr. Chairman, I am still not satisfied with the information the minister is giving me. He is telling me, and I am sure—

**The Chairman:** Order, please. I was extremely lenient, but the hon. member rose on a point of order and the procedure I had in mind was to recognize the hon. member for Comox-Alberni and then revert to the hon. member for Gander-Twillingate. However, I allowed him to put his question on what I thought was a point of order; at least, that is how it was put to me. Now I should like to return to the original pattern, recognize the hon. member for Comox-Alberni—who apparently is not satisfied with the answer he received, either—and then revert to the hon. member for Gander-Twillingate.

**Mr. Barnett:** Mr. Chairman, I have often been dissatisfied with answers given me by ministers. However, I should like to pursue the question a little further with the minister before making any comment. I want to understand the picture clearly. The minister made several references to the fact that this tax would not apply in respect of the operation of certain classes of planes, provided their weight did not exceed 18,000 pounds. With regard to the proposed section 8 of Part II, in which the definition of a certified air carrier is set out, am I correct in assuming this means a certified air carrier will be required to collect a tax on all air fares, including all operations under class 3.

**Mr. Gray:** Yes, Mr. Chairman.

**Mr. Barnett:** Am I also correct in assuming that where it makes reference to class 4 and groups AA and A under that class, it refers to

[Mr. Gray.]

charter flights using planes of a weight greater than 18,000 pounds?

• (4:30 p.m.)

**Mr. Gray:** Yes, Mr. Chairman.

**Mr. Barnett:** Mr. Chairman, I thank the minister for his answers, because they underscore the argument I advanced earlier about the way this tax would be applied. Clearly, those who receive the least service from the department will pay the most. If all class 3 aircraft services are to be taxable on the basis of the fare the user pays, it surely is obvious that many people who use no terminal facilities will be paying the tax. Granted, those people are getting some of the other services to which the minister referred. On the other hand, class 1 services, which I assume will carry the largest number of passengers in Canada because they are usually operated over longer distances and with larger aircraft, will have at their disposal the full range of the department's facilities. In other words, anyone using these services will be paying very much less per mile of air travel.

I will not comment on the argument advanced by the hon. member for Peace River about the number of times such people will use an air terminal in the course of a journey. I merely emphasize that those using class 3 services will make very little, if any, use of airport or terminal facilities. In some cases such people initiate a journey from a terminal and sometimes they end a journey at a terminal, but very seldom does their journey begin and end at a terminal.

The minister was trying to draw a parallel between the user tax in question and our gasoline tax which helps to pay for our roads and highways. I will not pursue that argument to an illogical conclusion. I am merely saying that in this particular situation—we are talking of air travel—it costs more to drive a Volkswagen or Datsun than it does to drive a Cadillac. I hope the minister appreciates my point. It is made to show the fallacy underlying his argument, because he argued that there is very little difference in principle between the gasoline tax and the tax being imposed by this bill.

His point was that, roughly speaking, within limits it costs so much a mile to drive a Ford and so much a mile to drive a Chev. But I am afraid that principle does not apply to people who travel by air. That is the point I am trying to make. In other words, the tax of 5 per cent on the fare will not provide