

*Excise Tax Act*

am wondering whether he is prepared to consider the damage that giant freighters will cause in the next few years.

• (5:20 p.m.)

**Mr. Gray:** Mr. Chairman, the hon. member for Moose Jaw asked whether there had been consultation with other departments. I am informed that there was certainly close consultation with the Department of Transport involving the measure before us at the present time. Several hon. members have asked what private planes are paying and will pay for use of facilities for which we are asking people who buy tickets on certified air carriers to pay. At the present time private planes which use these facilities pay special fees; they pay landing fees and other user charges. In opening the debate on second reading I believe I pointed out that this measure arises out of the proposals in the budget statement of June 3 and is linked with a statement of principle enunciated by the Minister of Finance as recorded at page 9420 of *Hansard* for Tuesday, June 3, and I quote:

A further measure of budgetary significance arises out of a general policy to ask those who benefit directly from services or facilities provided by the government to pay charges more in line with the direct costs involved. We already obtain about \$200 million per annum from such user charges of various kinds—

In some cases these charges have not been recently revised to reflect current levels of costs or values of services, and we are carrying out a systematic review and revision of these charges. We shall probably introduce some new charges as well. In almost all cases this action can be taken under existing legislation.

So it is my understanding that the user charges and fees presently paid by various types of private aircraft which use the various facilities provided by the Department of Transport for air transportation are under review. The purpose of the review is to help ensure that each category of aircraft pays its fair share by way of contribution to the cost of maintaining and expanding these various facilities.

A number of hon. members have made comments which really amount to complaints about the rates being charged by various schedule and non-schedule carriers for transporting people around this country. It seems to me that in passing the National Transportation Act, Parliament decided to delegate to the Canadian Transport Commission authority in respect of regulatory activity in the field of rates for air travel. It is my understanding, although I do not claim to be an expert by

any means in these matters, that while airlines must file their rates with the Air Transport Committee of the Air Transport Commission it is also open to those who are not satisfied with these rates to file a complaint.

The result of this would be that the committee would carry out an investigation and if it finds that the provisions of the law in respect of rates are not being followed, then it has authority to suspend the application of these rates. So it would seem to me that those who feel there are grounds for complaint about rates in one area of the country or another should see that any complaint about rate schedules is filed with the Air Transport committee of the Canadian Transport Commission.

Various hon. members have asked about the yield on the tax. The budget statement indicated that the yield was expected to be approximately \$20 million. I believe the hon. member for South Shore asked where the money would be spent. It is my understanding it will be taken into account in determining the expenditures of the Department of Transport for the full range of services it provides in the air transport field and not simply in respect of the construction of airports in one or two metropolitan areas of the country.

While, as the hon. member for South Shore said, people travelling from the maritime provinces will pay the proposed tax, once they get to the central part of Canada, they will not only be using the present services of the Department of Transport with regard to air transportation but they will be using the particular airports there. People travelling from the central part of the country to the maritime provinces and other areas to do business of various types will also have to pay the tax. So this proposed tax would not be limited to one particular area of the country or to certain areas of the country alone.

One hon. member proposed that a better way would be to have the tax paid by the airlines themselves. As other hon. members have mentioned, it is likely that this would be passed on to the purchaser of the ticket in one way or another. Some members have already complained that the rates charged for air travel are too high. I think a number of points have been made which have been dealt with in one way or another in my earlier comments. Perhaps I might conclude at this stage by saying to those who argue in favour of a flat rate that this might perhaps inadvertently be in conflict with the argument of hon. members such as the hon. member for