

Excise Tax Act

under the guise of a fee and still allow pollution to continue.

The government produced a white paper to meet inflation dealing with all kinds of taxation. I wonder why the Minister of Finance, who is a real expert on this subject, could not get together with the Minister of Justice and instead of prescribing punitive measures, devise a tax for those who commit crimes or sins. I suggest that we are justified in calling these problems to the attention of the government. It is quite wrong to suggest there is any equity in the imposition of this tax. If the government wants to be quite frank it will say, "The cost of the ticket is a rough yardstick which we will use to measure the imposition of the tax."

● (4:20 p.m.)

I repeat, as I did yesterday, that we are entering an era wherein the people of this country will increase tremendously their use of air transportation. This type of tax will then be unfair and inequitable and will not provide a reasonable yardstick. If the government really wishes to collect additional money for the provision of airport services, it should find other means of doing so.

Mr. Lundrigan: Mr. Chairman, I asked a question of the minister but perhaps he did not understand it. He has been around for a while, he has been the minister of this department for a while and is already becoming an expert in evasive tactics. I am sure he did not want to do this intentionally, but he can skate around things better than Barbara Ann Scott did.

In case he did not get my question the first time, I should like to ask him whether the government has carried out any surveys on who, in fact, will pay this tax. I am not slow enough to think that the answer is that the people who purchase airline tickets will pay. That is not what I am talking about. If there are 20 million people in Canada and \$20 million is generated by the tax, we can assume, if the tax is evenly distributed, that the charge is \$1 per capita. Who is going to pay this tax? I am afraid the burden will fall upon those who live in isolated areas such as the northern communities referred to by a number of my colleagues, and communities such as Wabush, Labrador, where there is no transportation except by rail, and that is likely to disappear any day now.

Who is going to pay the tax? Is it the school kid in the summertime? Is it the resident in the isolated community who sometimes has to travel hundreds of miles for medical services? Is it the small businessman? I know all these people will be affected. Has the government made any surveys to determine just who will pay the tax? This is a broad question and I intentionally leave it so in order to give the minister a chance to prove to us and the Canadian people that this legislation was not concocted by a few people in the Department of Finance who did not have sufficient knowledge. Unless he proves this I am afraid he will leave the wrong impression with a great many people.

Mr. Gray: Mr. Chairman, I regret that I did not appear to provide an answer to my hon. friend's question in the form in which it was put, but the way he has rephrased it does not make it any easier to answer. He has asked a rather broad question, a general question which touches upon one of the most thorny issues in the whole matter of taxation, the question of incidence—upon whom does any tax ultimately fall?

There could be all sorts of arguments put forward about the burden of direct and indirect taxes, the distinctions between them and what the distinctions should be. We could devote a lot of time to discussing various philosophies of various economic experts, but I doubt very much whether it would be possible to develop studies which would provide, in any really meaningful way, information of the type my hon. friend is seeking.

Although it may not appear so at first glance, it would seem to me that the people who travel by air most frequently are not necessarily those living in the most isolated areas. Some people who live in the most urbanized, built-up areas travel a great deal in the way of business. Those of us who travel by air from Ottawa every week so often see the same businessmen, or at least the same faces, on the plane all the time. All sorts of people travel in connection with their employment. It is not safe to assume that people from isolated areas are always the most frequent travellers. I regret that I may not be in a position to respond to my hon. friend's question in terms he would like, but I believe this is because we are getting into the area of taxation philosophy more than anything else.

My hon. friend from Peace River mentioned that residents of that area may be in a worse position than someone who travels between