

of construction because it would make the best sense. If I were to follow the government's logic I would be dissuaded from doing so. The situation to which I have drawn attention occurs frequently on the prairies. These farmers have a case in equity, and it should be considered.

Mr. Gérard Loiselle (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member for Battleford-Kindersley (Mr. Thomson) was surprised to find that the Minister of Agriculture (Mr. Olson) was not replying to this question. However, since this question concerns the 11 per cent sales tax it is a matter for the Minister of National Revenue. The complaint was that the farmer in question did not get a refund of the 11 per cent sales tax. However, the law provides that the farmer can get this 11 per cent back from his supplier, so maybe there is something wrong in that connection.

This is the answer which the minister has given: The Excise Tax Act imposes the sales tax on the manufacturer, and the department is bound by law to refund this tax to the manufacturer who paid it where the goods are sold under tax exempt conditions. As a result, when a manufacturer of grain storage bins sells them under tax exempt conditions to farmers, exemption should be allowed; but if the tax is charged, the department must refund it to the manufacturer and the farmer should seek reimbursement from the manufacturer. It is normally the practice of manufacturers who have received refunds of sales tax to pass the credit along to their customers. If a farmer applies to the department for a refund of the 11 per cent sales tax on a grain storage bin, he is advised to request a credit of the amount of sales tax paid by the manufacturer on the grain storage bin, from his supplier.

It seems to me that it is the procedure used by the Saskatchewan government that has changed; the law still provides that the farmer can get a refund of sales tax from the supplier. If the hon. member has any specific cases of the government having received the refund from the manufacturer, perhaps he would bring them to the attention of the minister.

AIR TRANSPORT—CTC DECISION RESPECTING
PRAIRIE SERVICES

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, this is a sad occasion for responsible parliamentary democracy in this House. I noticed that one parliamentary secretary gave

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prepared replies to the questions that have already been raised tonight. Obviously these replies do not take account of anything that the hon. members might have said in their remarks. This is the second occasion tonight on which I have had to refer to the fact that ministers are derelict in their duty. It is doubly tragic because most of the problems raised concern western Canada, which is passing through an extremely difficult time of economic distress.

The matter I wish to raise tonight I raised over a week ago. It concerns the decision of the Air Transport Commission to downgrade the quality of air service into western Manitoba. In reply to me, as reported at page 3012 of *Hansard*, the minister said:

I do not wish to anticipate, but it is my understanding that no service will be discontinued and that the modifications and adjustments contemplated will result in a more viable service being provided to all points now being served. I think a form of rationalization has been undertaken. Once the decision of the Canadian Transport Commission is released, if my hon. friend is still of the opinion that the matter ought to be pursued further I will do whatever is in my competence to do.

Following the announcement that service was being suspended and that the regional air policy, as it affects western Manitoba, was being downgraded from class 1 to class 2 service, I asked a question in the House. In reply to my further question the minister said, as reported at page 3131 of *Hansard*:

—if it is a matter which could be the subject of appeal to me presumably somebody will appeal it and I will look at it in that form.

The city of Brandon has appealed the decision of the Air Transport Commission. It is unfair, unjust and inequitable so far as this part of western Canada is concerned. I should like a reply from the minister in regard to a very difficult economic situation that flows from the decision of the commission. The airport, which is actually in the constituency of Marquette and serves an important area of industrial development, has been operating under a government subsidy required for first-class service. It is important to know, in the interests of economic development, whether the subsidy will continue with second-class service. The problem arises from the fact that the landing fees, for example, for second-class service will no longer provide the level of support that has hitherto been provided. It is urgent that the people concerned have some understanding in this regard.