

saving in this particular equation the minister must really show this House how he arrives at that saving.

I wonder what the minister has against air travel and airplanes, particularly small aircraft. My colleague from Calgary South, who spoke a few minutes ago, produced figures which show how bad are the calculations of the department. He set the record straight, told us the cost per gallon and per passenger mile in flying in a light aircraft, and showed us aircraft are not, I repeat are not, the high consumers of energy which the minister's officials have led him to believe they are. The hon. member for Fraser Valley West placed on record how much petroleum consumption is attributable to small aircraft.

I do not know if the minister read the editorial which appeared in *Canadian Aviation* in December, 1974. Allow me to put some of the facts on record. Figures from the Aviation Statistics Centre analysed by Aviation Planning Services Ltd. of Montreal show that non-commercial general aviation in Canada, the sector faced with the 10 per cent excise tax, consumed .3 of 1 per cent of the total petroleum consumption in Canada in 1972. Cutting this amount out represents real energy saving!

Non-commercial general aviation consumed .7 of 1 per cent of the total petroleum used in transportation in Canada in 1972. Further, the aircraft included in this analysis comprised fully two-thirds of all aircraft in the Civil Aviation Register. If this is the sort of energy saving binge the Minister of Finance has embarked on, he had better consult aviation experts and transport experts—not the Minister of Transport—and, as well, perhaps the Minister of Energy, Mines and Resources.

We need to save energy, but the minister is going about this in a backhanded way, in a way which will not lead to much energy saving, as far as I can see.

In this connection I have some worries which are based on unfortunate past experiences and which prompt me to ask another question or two, because, I do not like being asked to vote on a bill which leaves so much undefined. May I refer the committee to subparagraph 12 on page 11 of Bill C-40, which reads:

Aircraft but not including gliders or aircraft purchased or imported for use exclusively in the provision of such class or classes of air services as the Governor in Council may by regulation prescribe . . .

I think the committee has the right to know before voting on this measure what class or classes of air service are to be excluded from the tax. I suggest that the minister "ratchet" up some elucidation of this, as he has proved to be such a good "ratcheter".

On line 36 of page 11, also in subparagraph 12, we find the word "exclusively". This suggests that the minister's advisers are unaware of the uses to which small aircraft are put. The use of the word exclusively in this context is evidence that his department has no expertise in this matter.

The minister and his staff may not know that small aircraft, those most directly affected by this legislation, are seldom used exclusively for one purpose. They are business oriented and they may engage from time to time in business operations. These facts, I suggest, destroy any exclusive criteria which may apply.

Excise

Search and rescue is an automatic task for all private operators. Our licensed pilots in this country are at all times available to help in any search and rescue operation on which they are called for assistance. They do this as a matter of course. Therefore the exclusivity criterion that has been introduced here is a lot of nonsense. Another strange feature of this measure is the commercial aircraft that are exempted. I wish to quote from a brief that was prepared by an aircraft operator, as follows:

● (1540)

Commercial aircraft are exempted only if they remain commercial for five years. If they are sold before this time then the whole of the tax becomes payable—

This is the understanding of the industry. If it is wrong, let's correct it.

—i.e., 23.2 per cent of the original cost.

Am I correct, Mr. Minister?

Mr. Turner (Ottawa-Carleton): It is 22 per cent, 12 plus ten.

Mr. Munro (Esquimalt-Saanich): It is compounded, if I am not mistaken. I thought we got this straight yesterday.

Mr. Turner (Ottawa-Carleton): That was the interpretation of the hon. member for Edmonton West. It was really 12 plus ten.

Mr. Munro (Esquimalt-Saanich): Are you on your feet, or am I on mine?

Mr. Turner (Ottawa-Carleton): You are on your feet.

Mr. Munro (Esquimalt-Saanich): Fine. I continue the quote:

This amount when added to the depreciated value of the aircraft will be an excessively high percentage. The tax, I understand, is not to be prorated for the amount of commercial use. Many operators lease aircraft either for long terms, or for shorter periods to fill a peak demand, or to complete a particular contract. The inequities of this system are created by the source of the aircraft determining whether it shall be subject to tax or not. This situation also would apply when a commercial operator bought an aircraft from a private operator.

Why should an operator be forced into an arbitrary five-year ownership period when for many varied and good reasons he may be required to change aircraft?

This is an inequity. I would even suggest it is an iniquity. It is an imposition on private users of aircraft in this country. I am inclined to vote in favour of the amendment proposed by the hon. member for Moncton to have this provision withdrawn. However, since it was drawn up there should at least have been an element of proratedness for the sale and resale of aircraft.

We have heard the mess the Canadian transportation industry is in these days. This has been evident in the question periods of the last few days. In this connection I will read a further comment by my friend in the aircraft industry. This comes from one who is knowledgeable in this particular area. I quote:

The tax would discriminate against the aircraft user despite the fact that air transportation is more efficient in so many ways, in terms of fuel, savings in man hours, and the ability to operate over the vast reaches of our country, and where surface transportation is either difficult or non-existent.