

depending on the weight. According to rough calculations I have made, that is a tax of about 5 per cent on the high energy consuming cars. This is blatantly discriminatory, when a high energy car is taxed at approximately 5 per cent and an outboard motor used 100 hours a year is taxed 10 per cent. How does the minister justify that kind of discrimination?

On the point of revenue raising, in the May 6 budget the minister was content to impose a tax of only 3 per cent. I would like him to explain why he considers it necessary to more than triple the tax to 10 per cent. What are the reasons behind this?

I think the tax is discriminatory. During the second reading debate I pointed out how this will create hardship and unemployment for marine dealers and tourist operators, especially in northern Ontario. I would like some answers to the very broad questions I have asked with regard to justifying the tax.

I posed some questions on conservation. I think this is a red herring. It will not improve energy conservation but instead will create high unemployment. And how the minister justifies the increase from 3 per cent to 10 per cent in his revenue raising, I do not know. I wonder whether the minister would answer those questions.

● (2110)

**Mr. Douglas (Bruce):** Madam Chairman, we have heard from the hon. member for Fraser Valley West about the tax on aircraft, and I should like to support some of the statements he made.

**Some hon. Members:** Hear, hear!

**Mr. Douglas (Bruce):** You will notice, Madam Chairman, I said some. I do so particularly since I come from an area of Canada where it is not a problem to get people to it, but there is an amazing problem in getting people from it due to the lack of proper rail transportation in western Ontario. Many people find themselves a long distance from the larger urban centres and they turn to the use of aircraft in their daily lives.

As I look around this chamber I see a number of members who also use aircraft to travel throughout their ridings. The hon. member for the Northwest Territories would, I am sure, be in dire straits were it not for the use of a small, what is termed private, aircraft to get across his constituency.

I agree that the use of an aircraft as a high energy consumer is not a point in favour of the 10 per cent tax that is put on these aircraft. The fact is that a Cessna 172 or similar small aircraft can probably be trimmed so as to cut fuel consumption easily to 10 gallons per hour and, as has been mentioned, this will mean a fuel consumption of 20 to 25 miles per gallon.

In addition the aircraft industry in Canada is on a slow growth pattern, and the type of tax we are talking about will do nothing to help that industry to re-establish itself. The Fleet Aircraft Corporation in Fort Erie was one such company, but it was forced to close because it couldn't get enough orders to make production of Fleet aircraft a viable proposition in this country.

### *Excise*

I have received some correspondence about this from private pilots in western Ontario, particularly in my own riding. While we do not have adequate train transportation, and bus transportation is not what it is supposed to be—it takes 7½ hours to go 200 miles from the town of Wingham to the city of Toronto—we do have a large number of small, locally-owned and locally-kept airports, such as those at Port Elgin, Southampton, Hanover, Wingham and Goderich in Huron riding, as well as in many other areas.

I know the department has received a number of representations from the Canadian Owners and Pilots Association, of which I am a member, as are two or three other members here tonight. I should like to ask the minister what reply has been given the Canadian Owners and Pilots Association, and what is the reason for his stand regarding the light aircraft industry in particular, since this is an industry that is not a prime energy consumer?

**Mr. Kempling:** Madam Chairman, we have heard a lot about boats, airplanes and that sort of thing, and I now want to get down to some real equipment, transport equipment. We are in such a transportation mess that perhaps with some goodwill from the minister we will be able to straighten things out a little.

Various associations in the trucking industry have made representations to the minister, and I believe he has been listening to them very carefully and has a disposition to be of assistance to them. I want to talk for a few moments about the equipment side of the trucking industry. I made a few remarks about this on second reading, but I want to be sure that we clearly understand where we are going.

A truck is not a truck until some equipment is put on it. A variety of equipment can be put on the chassis. When a manufacturer builds a truck, he puts the cab and the motor on the frame, and someone else completes it. It is a very big industry in Canada, spread from coast to coast. A chassis can become a school bus, or be mounted with just a platform, a crane, ready-mix equipment or any one of a number of bodies.

One of the problems the truck equipment industry has is to get some recognition from the people in National Revenue that it is an industry. Part XVII, paragraph 8, refers to the fair sale price by the Canadian manufacturer or the fair duty paid value of the imported article exceeding \$1,000 per unit. The truck equipment industry feels this provision is not clearly defined. Inquiries have been made from various parts of the country. For instance, a call was made to National Revenue in Montreal asking for an interpretation of this \$1,000 per unit provision, and the interpretation given was entirely different from that received from Toronto, which again was different from the ruling received from Kitchener and London. We would like to have this matter cleared up to the satisfaction of those in the industry, so the industry will know where it is going, and will not have to depend on interpretations from local National Revenue offices.

Another matter of concern to the industry is that, under the auto pact much of this equipment can be imported from the United States with a vehicle, which would mean the Canadian industry would suffer. We want to see the