

to get to work, and they would not be obliged to pay the tax. Yet those who use their automobiles to get to work will have to pay it. Does the minister think this is fair?

Mr. Turner (Ottawa-Carleton): The same considerations apply here, really, as apply in the case of diesel fuel. Over 95 per cent of the type of gasoline sold for use in aircraft is supplied to commercial or chartered airlines which would be exempt in any event. The price of administering such an exception as the hon. member is suggesting would be unduly high. I might point out that in a previous budget a 10 per cent tax was imposed upon the purchase of private aircraft, which has a complementary effect when the two are put together; there is already a 10 per cent excise tax on the purchase of private aircraft.

Mr. Munro (Esquimalt-Saanich): On a point of order, Mr. Chairman—

Some hon. Members: Oh!

Mr. Munro (Esquimalt-Saanich):—I wish to make a correction to the point of order I raised a few moments ago. It was not to draw attention to the absence from the chamber of the hon. member for Mississauga but to say it was the hon. member for Peel-Dufferin-Simcoe—I had the impression he came in through the curtain to be counted after the vote was called.

Mr. Milne: On that point of order, Mr. Chairman, I happen to be the hon. member for Peel-Dufferin-Simcoe and I was sitting here writing a couple of letters, rather amused at the antics of the people opposite me.

Mr. Railton: Mr. Chairman, I can confirm that my hon. friend was here all the time.

Some hon. Members: Withdraw!

The Chairman: Order. I do not think we should pursue this matter. A decision has been rendered, the vote has long been taken. I do not think we ought to return to a discussion of who was in the chamber and who was not. I made my decision, and I invited the co-operation of hon. members when votes are taken in the future.

Mr. Milne: I think, in the circumstances, it would be appropriate for the hon. member for Esquimalt-Saanich to withdraw.

Mr. Munro (Esquimalt-Saanich): I certainly withdraw.

Some hon. Members: Hear, hear!

● (1540)

Mr. Peters: Will the exemption in regard to gasoline used for private aircraft be based on octane rating? I know of many small fields where aviation fuel is delivered by an entrepreneur from the community, who also delivers other fuel. Is the exemption based on type of fuel used or does he apply for the exemption after having serviced the aircraft?

Mr. Turner (Ottawa-Carleton): Aviation gasoline is exempted to begin with, and the reason is that 95 per cent of the fuel is used in commercial aircraft. I would remind

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the committee that in the previous budget a 10 per cent special excise tax was levied against private aircraft.

Mr. Peters: I am also aware that many small aircraft use ordinary gasoline rather than a specific type of commercial aviation fuel. It is high octane fuel which is also used for high compression engines in automobiles. My point is, how is the exemption applied for gasoline supplied to a commercial flying club?

Mr. Turner (Ottawa-Carleton): It is my understanding that the overwhelming amount of gasoline used for aviation purposes is so designated. If a gasoline could be used in an aircraft, it would be exempt if used in an aircraft. I really think this is a matter for National Revenue Canada, but its use is fairly restricted.

Mr. Peters: I agree it is restricted, but this would apply to all flying clubs. On every field there are two or three dozen aircraft, and I want to get the answer to this question before two or three other people ask it of me. How is the person who delivers the gasoline going to certify that it is exempt? Is the distributor going to be given a form that will allow him to apply for an exemption?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, as I have said, I think we should leave this problem to National Revenue Canada. If it is ordinary gasoline it is subject to the excise tax. If it is delivered to a commercial flying club and is used for commercial aviation purposes, the purchaser is entitled to a refund. The great majority of the gasoline that is available for aircraft is aviation fuel which is used for the internal combustion engine of an aircraft.

Mr. Rodriguez: Mr. Chairman, I have a few questions to ask the Minister of Finance. I realize he was faced with the problem of compensating eastern consumers and that he has to raise \$500 million. When he was faced with this problem, surely he must have considered alternatives. Can he tell the House what the alternatives were that he considered, why he rejected them, and why he selected this particular tax?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I set that forth in the second reading speech and in the budget speech. Primarily the tax was applied against users of gasoline because I felt that was in the fairest way of apportioning it. An alternative might have been through the personal income tax system, but even progressively imposed there are a good many income taxpayers who do not own, drive, lease, or operate an automobile.

The Leader of the Opposition suggested that we could have achieved our objective by cutting expenditure further, but there again we have already tried to cut expenditure by \$1 billion. So we felt that in order to maintain a national price for the general use of oil and gas other than for personal use—that is to say, oil and gas used for home heating, industrial use and commercial use—right across the country at \$8 a barrel as against the world price of \$12 a barrel, we thought it fair to impose the tax on the users of personally consumed gasoline. As I say, we thought that was the fairest way to do it, fairer than using personal income tax since the average payer of tax might not be equated with the average driver of an automobile.