

*Excise Tax*

mately 1,000 bushels of grain which are usually classified as waste. At one time this grain was used to feed chickens and pigs. Now they do not have chickens and pigs on farms because they cannot afford them, so they must get rid of the waste in another way. By putting it through an alcohol still, they can get rid of this waste in a very useful fashion, as long as it is called spirit. When a farmer makes alcohol, he has relatively no fuel costs because there is another waste product on his farm called straw. It is a difficult chore to get rid of straw. By bailing this straw and placing it into a furnace, he can apply a steady heat to the still which keeps it from getting too hot and exploding. Therefore, he does not look upon it as a cost; he is just getting rid of a waste product. However, it is a cost to the commercial manufacturers. After the farmer has used the straw to distil the alcohol, he passes on the heat to his barn or his home to heat them. This is a second use of the waste product for heating. He takes off the alcohol which is worth \$4 for every bushel of waste grain he puts through. In addition, he gets 42 pounds of mash with a very high protein rating and tremendous digestibility. Having gone through the distillation process, it is much easier for animals to digest. Therefore, more meat is put on the animal or more milk is produced, whatever the case may be.

If the farmer puts in a still to meet all these conditions and to give him some form of relative or comparative advantage over the commercial manufacturer of alcohol, he will require a still which costs from \$4,000 to \$8,000 depending upon his plans. He will not spend that amount of money if he has a licence for only one year because he will never get his money out of the still.

The first motion simply deals with this matter. If we take out the first two or three lines and include a clause which takes away all ambiguity, then a person, a group of persons or even a group of people connected with a corporation, because 15 per cent of our farms are now incorporated, can take advantage of it.

I do not think I am asking too much when I ask all hon. members in the House to support this series of motions. I have described in some detail the common-sense approach of not limiting licences to one year and of not limiting them to one person. Farm activity is organized either by a single farmer, a farmer and his son, a farmer and two or three of his neighbours or, in some cases, farmers' co-operatives, who use the same still. Therefore, this legislation must be workable and economic for farmers, and it must satisfy the types of organizations used by farmers when dealing with these problems.

The advantages of a legal still are obvious. It will only provide enough alcohol to meet 2 per cent to 5 per cent of our total energy needs. The Americans are going at it much harder. They are planning to satisfy 8 per cent or 10 per cent of their total energy needs from alcohol. By giving large subsidies to big companies, small companies and individuals, they will reach in the fall of this year, the target they set some years ago of producing around two billion gallons per year.

This takes up a very big proportion of energy, but it worries many thinking people in the United States because farmers

and some of the companies that are heavily subsidized by the program are taking advantage of the subsidies to reduce their costs. They are producing more and more alcohol but are using good farm land to produce waste in order to make alcohol. Good farm land is needed much more desperately in the world to feed people.

The concept in these motions is to give enough economic leeway to the project so that farmers, either an individual or a group of individuals in any structure they like, can pick up the waste on their various farms and make good use of it; it must be a viable operation. We do not want them to use good grain or vegetable land, which should be used for the production of human food or cattle feed, to produce alcohol for the automotive industry.

Let me make one point clear. This legislation is modest in U.S. terms. The variation in each of the United States which have legalized the still is great. Limits should be imposed in one of these motions in such a way that no one will be going into production of alcohol as a big business. It will be simply for the purpose of getting rid of waste and allowing the person to make money. The country will benefit in that farmers will produce alcohol that cannot be drunk for use in the gasoline tanks of tractors, trucks or automotive machinery which takes that type of fuel. It does not give any more miles per gallon, but it keeps the motor clean and the motor lasts two or three times as long. This is important in this day and age when car motors, particularly small ones, only last 100,000 miles. By keeping the motor clean with the addition of alcohol to the gasoline at a one to nine ratio, or 10 per cent alcohol, it will last two of three times longer; in other words 200,000 or 300,000 miles. The same ratio is maintained for tractors and trucks.

Those are the main points I wanted to mention. Of course the motions do not make sense unless one has the act in front of one, and if one is really astute, one would have the old act as well. If one reads these acts, one finds that these motions are carefully drawn. Unless there is some legal opposition to them, I think every member in the House could support them.

Turning now to the duration of the permit, it must be at least five years to warrant building the stills, and the five-year term should be renewable. It will be the responsibility of the minister and his staff, which really means the excise people and the Mounted Police, to decide if there is any abuse of the act. Therefore, cause must be shown before it can be taken away.

The quantity a farmer can produce should be extended to cover the majority of farmers, and the period of time should be set for a minimum of five years for any person legally operating a still with no interference at all. The state will have the power, through the permit and through the bonding procedure, to make sure the law is not abused.

I do not think I am speaking out of line when I say that representatives of the RCMP have seen the plans for the stills which will be offered under the regulations, as have the excise people. Both are satisfied that no one will fool the government and that it will not create a hardship. If we put the bill