

Excise Tax

Many jobs would be created through the manufacture of stills. Presumably the Minister of Industry, Trade and Commerce (Mr. Gray) would be pleased to initiate a whole new set of manufacturing opportunities and job-creation programs across Canada.

Hundreds of thousands of farmers, using marginal agricultural land could take advantage of the opportunity to produce this fuel. It would give them an alternate source of income, would lead to the development of marginal farmland, and would be another step towards energy self-sufficiency for the country.

In the United States, one of the few programs that was successful for President Carter, was the move to the production of gasohol. It can be purchased in various States today. Within a few years Brazil plans to use gasohol for the major portion of its transportation fuel. What is Canada, a major agricultural producer, doing to show leadership in the development of this industry? I think we would have to admit that we are doing very little in this direction. There is an opportunity today, through these motions, to show the leadership that is required, and to say that we are prepared to move into this area. A still on every farm could be used as a theme.

Some hon. Members: Hear, hear!

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I shall not speak long on this matter but I do want to make some very short and pertinent remarks.

I believe the government has put restrictions on this legislation with the sole objective of preventing bootlegging. But I cannot think of any legislation more likely to promote bootlegging than this bill, Mr. Speaker. It would partially legislate the use and production of ethyl alcohol as a fuel by means of the one-year licence. To me that suggests minimization of capital investment; the lowest amount of money that can possibly be put in the system. It would also promote the use of the illegal still as against legal ones. People could hide them.

If I were to promote the use of ethyl alcohol as a fuel, I would seriously look to a process that would promote larger capital investment and a longer licence, thus reducing the risk to the investor. It could be done on an area basis with special licences so that farmers and others growing certain stuffs could sell to a central point where alcohol could be produced. It could be policed and controlled and even watched, if desired, by the fewest number of civil servants possible. However, that is not what the government is doing. It brings in a piece of legislation saying "you shall minimize your capital investment because you may lose it next year as you will only get a one-year licence."

● (2050)

That is the worst of all worlds. Indeed, it could promote bootlegging in a major way. If one person gets a licence for a small still, and begins to put the product in his car, the farmer down the way, even though he does not have a licence, will put in a still and do the same. Soon there will not be enough inspectors to look after the stills.

The government has gone in the opposite direction from rational movement, that is an installation with a large degree of capital investment in one plant producing under proper control denatured alcohol and so forth. This opens the door to all sorts of illegal stills which will crop up all over the place.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, I should like to point out that the objections raised against the amendments moved by the hon. member for Etobicoke Centre (Mr. Wilson, which I had an opportunity to discuss at length with the member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) and which have to do with gasohol production, are not basic objections because they are prompted by the economic situation or the circumstances.

Should one consider the intent of the legislation, one would realize that the measures adopted were only transitory. They are aimed at promoting the existence of a situation similar to the one just described by the hon. member for Edmonton East (Mr. Yurko) in his remarks, namely to make it possible to continue the development of experimentation in the fields of production and use, while making sure that the production control mechanisms are operational. Indeed, it is an open secret that alcohol control in Canada has always been rather well structured and tight enough, so that before liberalizing our alcohol production potential and diverting it to fuel uses, as the hon. member for Etobicoke Centre would have it, the Departments of Energy, Mines and Resources, National Revenue, Finance and even Agriculture should jointly draft a policy and continue to follow the evolution of research and use of gasohol as an energy source for automotive vehicles, and then we will be in a position under the Excise Tax Act to come up with measures which will be better adapted to the evolution, the application and the use of gasohol. I would therefore urge hon. members to reject the amendments, not because they are not worth while, but because the existing transitory measures we now have will do nicely until we reach the degree of expertise which will enable us to opt for greater liberalization.

[*English*]

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I will attempt to be brief on this amendment. It seems strange to those of us from the farm communities that, although there is an opportunity here for the producing farmer to conserve energy and lower production costs, two things very important to the national economy of this country, the government says no. When we point to examples in the United States, the minister says yes, for one year at a time. No one will make an investment in the necessary size still for one year. Experience in the United States shows that a \$25,000 investment is needed to make it economical.

What we see in this amendment is something that is seen throughout the bill. Any bill that goes before a committee with over 130 amendments must be a poor bill. Mistakes must have been made in drafting the bill. Even the government has presented amendments, so there must have been mistakes.