

Canadian Wheat Board Act

There have been tests done on this in the United States. In one case, the byproducts from corn, the mash that was offered, had more protein and vitamins than it had before it was put through the fermentation process. Through the experimentation that was done, it was found that the growth rate efficiency for animals was 13 per cent greater than if they were fed feed which had not gone through the fermentation process. I believe further experiments will show that this is a fact.

In the State of Kansas a \$15 million plant has been designed to produce 5.5 million gallons of alcohol per year, 200 per cent proof, plus 15,000 tons of liquid carbon dioxide, plus a byproduct to finish feed 30,000 heads of cattle. It is operating very well.

We have one plant in Canada. In Minnedosa, Manitoba, the Mohawk Oil Company has converted a former Gooderham and Worts distillery to fuel alcohol production. The conversions were designed by an Austrian firm. This firm has developed many plants around the world, including a 20 million gallon plant in the state of Missouri.

The Mohawk plant follows in the wake of about ten United States distilleries which have been converted from producing beverage to the production of fuel alcohol. The technology and the equipment remain virtually the same for the production but the efficiency is greater because the alcohol does not have to be as distilled for consumption in cars as it is for human consumption. It is expected that Mohawk will have a \$17 million to \$22 million per year capacity and the fuel will be made from locally grown barley and grains.

If Mohawk is as successful as we believe it would be, my bill would encourage the construction of another plant and the use of surplus grains from other regions that are not fit for human consumption for the production of alcohol. This would be of assistance to this plant in going ahead with the construction of a second plant and hopefully would encourage production in Saskatchewan and Alberta as well. The government of Alberta assisted Manitoba to convert this plant, and immediately upon giving the plant a production licence, the government eliminated the road taxes on this fuel.

In a few years fuel alcohol plants will have no difficulty in competing with gasoline prices. At the present time this type of incentive is needed if fuel alcohol is to become competitive.

We also have the potential to produce alcohol from a number of other materials. People who are familiar with this area will know that the Jerusalem artichoke is the most productive, and sugar beets, which grow very well in southern Alberta in irrigation areas, are close behind. While wheat is not the most efficient, it is abundant in this nation. Potatoes, of which there is a surplus in New Brunswick and Prince Edward Island can also be used. Farmers there would be willing to produce more potatoes if they were given an opportunity to sell them for the production of alcohol. We have the ability to produce alcohol from much of the produce that farmers grow in Canada. Also, experimental farms in Ontario have produced a type of poplar tree which grows very quickly and can be converted into ethyl alcohol. Although I am only presenting one bill, I could present many more which would

assist farmers in producing crops which would be capable of producing alcohol.

Many other countries around the world are far ahead of Canada in the production of fuel alcohol. The United States has, particularly since the embargo on oil, forged ahead in providing incentives for plants and private industry to develop fuel alcohol production. For example, producers in the United States are eligible for alcohol fuels entitlement from the department of energy. These are loan guarantees given to alcohol plants as well as investment tax credits to individuals who wish to produce fuel alcohol. In addition, there are substantial funds for research and development—an increase from \$3 million in 1977 to \$25 million this year.

Brazil, which also suffered from the oil embargo, produces 5 per cent of its fuel from alcohol and hopes to increase that substantially in the years to come. In 1980 Brazil exported 70,000 tons of soybeans. In the near future they will not be exporting any because they will be putting them into alcohol production to meet their own desperate needs.

The Dutch have designed, through their applied sciences, a device which enables cars to run on any mixture of gas and alcohol and even on pure alcohol. The refinements in this industry are progressing rapidly and the capacity for Canada to learn from that technology is real.

There is also substantial use of alcohol fuels in Sweden, New Zealand, Australia and Japan. This proves that many countries are moving rapidly forward in this area, and I believe Canada should keep pace.

A task force was established this year which did an excellent job in the area of renewable energy. I would like to quote my hon. friend for Bruce-Grey (Mr. Gurbin), who was a member of the parliamentary task force on energy alternatives. He said:

Our committee was struck by the potential for alcohol to extend our current supplies of gasoline in a 10 per cent blend with no need to modify the engine. The committee recommended that the government should go beyond its proposal for fuel alcohol regulations and should allow alcohol to be sold to retailers.

We have an inhibiting factor present in our country at this time. When Bill C-57 was before the House last year, many of our members argued very strenuously for some amendments. The difficulty we face in Canada today is that the government only allows experimentation licences to individuals which are renewable for only one year. After that year the equipment has to be destroyed. The licence should be extended to five years to give these individuals a chance to refine their product and increase their capacity. We also believe that instead of research being done on a limited, personal use basis, the bond should be extended so that individuals could establish larger plants which could offer economies of scale and enable joint effort projects among a number of farmers to be undertaken. In this way they could refine their yearly and daily production quotas. While there is a movement to reduce the bond from \$200,000 to \$10,000, there is still a lot of room to allow for expansion in the fuel alcohol area.

In conclusion, I would like to see the House seriously consider this bill and allow it to go to committee for further