

Excise Tax

I think that there are arguments for being able to use a renewable source for the feedstock and arguments regarding the environmental effects. We know that the products of combustion of ethynol are much safer for the environment than are the products of gasoline. There are arguments that we can use the waste products. Indeed, in Prince Edward Island there is a program right now which is using waste potatoes, and ethyl alcohol is developed from that. There are many different aspects to this argument.

I think that the essence of it, though, is that we can look to this for an extension of the transportation fuels which are so desperately needed in this country. I say that there is a desperate need. We know that as a direct consequence of the National Energy Program, in some ways, and as a direct consequence of the dwindling resources of conventional oils in Alberta, we are indeed facing a real shortfall, a critical crunch, sometime in 1983 or 1984. In fact, one of the most recent publications has shown that we might be facing up to a shortfall of about 30 per cent in the reasonably near future if we continue with the same kind of programs in the same focused way under the National Energy Program.

We can look to the production of ethyl alcohol, by individual farmers or individual groups of farmers, in small quantities for personal consumption; but when that production exceeds their consumption, particularly if it is in waste, they must also have the ability to dispose of the excess amount of alcohol. This is another critical aspect of the bill that has not been addressed in the amendments put forward by the government. There is no provision for an individual producer to dispose of excess production. This is a very limiting factor and will make economic production of ethyl alcohol very difficult.

● (2040)

There are many technical aspects to the production of ethyl alcohol and if people begin to produce in a big way we will see the development of technology. New organisms will be used for fermentation processes, new equipment will be developed to make use of the product more simple, and a host of other good things will happen.

The bottom line is that we are looking for an extension of our transportation fuel in order to provide security of supply to farmers and those people who really need the economies that can be gained from individual production. It is important that the energy that is required for food production be available.

The Special Committee on Alternative Energy and Oil Substitution which reported to the House recently, had an opportunity to compare this form of energy with others.

The comments I have just made roughly reflect the conclusions of the committee. The committee report recommended that people be permitted to sell their excess production to retailers. This bill, which I suppose will not be amended for a long time, imposes the constraint that people can only produce enough for their own needs. That is a severe constraint, Mr. Speaker, and one that needs to be and should be removed. The alternative is a limited number of people engaged in a limited

production and the potential of this source of fuel will not be achieved.

The amendment offered by this party would do several things. First of all, it calls for the temporary licence to be replaced by a special licence. We suggest a five year licence that could be renewed or even removed by the minister at his discretion. A one-year licence is very confining and restricts development.

We also recommend that the individual producer be allowed to sell his surplus production to other farmers or people off the production site.

No member of the House should have any difficulty at all in supporting our amendments, Mr. Speaker. The only money aspects that are involved were dealt with by the government. The provision concerning the bonding issue has been changed from the \$200,000 level to \$4,000 to \$10,000 and perhaps it could even be removed altogether. We do not argue about this and have not included it in our amendment. The excise tax has been removed so that is not a consideration either. There is nothing here that would be a cost to the government.

We have an opportunity here, Mr. Speaker, to allow production of this fuel to expand if we adopt the amendments put forward by this party. Opportunities abound, Mr. Speaker. We have the opportunity to provide Canada with an additional source of energy that will complement existing systems and can be integrated into the use of gasoline. It can extend gasoline and allow us to achieve many advances in agricultural production, the use of marginal lands, improving the environment and all the things that the National Energy Program aspires to and that Canadians would like to see come about. There is no reason why any member of this House cannot support those amendments, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, we in the NDP lend our support to these particular motions. They are good motions and the movers have obviously done a great deal of work in preparing the precise and thoughtful wording of them. We endorse the motions 100 per cent.

The previous speaker made it clear that there is an opportunity for Canada and the government to take a leadership role in the drive toward self-sufficiency. We can join with New Zealand, with the United States, with Brazil to develop technologies that will promote the use of ethyl alcohol and offset the increasing and tremendous costs of transportation fuels.

We can visualize a still on every farm, Mr. Speaker. We have an opportunity to open up marginal farmland. Anything that rots can be turned into an alcohol that will prolong the life of an automobile engine. Many people already add alcohol in one form or another to their gas tanks, with the result that the lifespan of the engine is not 40,000 or 50,000 or 100,000 but 200,000 or 300,000 miles, this, by the simple addition of alcohol to gasoline. We should be working toward this goal in Canada.