I will take a slightly different tack. In my view, a very clear precedent has been set here. We have established that in order to deter smuggling, we must take the profit out of smuggling by reducing the taxation on whatever.

There is also a significant problem with the smuggling of alcohol and spirits into Canada. It is very easy to draw a parallel between the smuggling of tobacco and the smuggling of spirits. The price of a bottle of spirits in Canada is approximately double what it is in the United States. Eighty–seven per cent of the cost of a bottle of spirits in Canada is taxation. The manufacturer must produce, bottle, advertise, transport, pay all capital building costs and employees and take its profit out of the 13 per cent that is left.

Is it any wonder then that we have the smuggling of spirits north and south across our border. It seems to me that we are encouraging a new generation of runners here. The statistics that I have indicate that of the 17 million cases of alcohol or spirits that is sold in Canada today per year, four million of those cases are contraband. They reached Canada illegally. They were shipped out of Canada and smuggled back across the border.

We arrive at four million cases by communicating with provincial liquor boards, comparisons of per capita consumption between Canada and the United States and consumer surveys on consumption habits and Revenue Canada customs law enforcement agencies.

There has been quite a lot of discussion about what the law should be and the two tier system. Is there a law for one group and another law for another group? Perhaps that is a debatable point. There is no question that it is debatable. There is definitely a difference in how the law is enforced.

What we are looking at here is an enforcement problem. We should have gone to a more stringent enforcement. We have the laws. We have the police force. We simply need to apply it.

● (1740)

I believe that if we follow the rationale that the reduction in taxation is the route to go as far as discouraging smuggling of cigarettes, then exactly the same thing has to be done with alcohol. We have to improve the enforcement profile, as I have said, and we must increase the penalties for smuggling. I do not believe that reduction of taxation should enter into it at all.

I find it extremely difficult to support this bill in its present form. I do not have any intention of doing that at this time.

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 79*)

YEAS

Members

Alcock	Allmand
Anderson	Assad
Assadourian	Augustine
Bakopanos	Barnes
Beaumier	Bellemare
Berger	Bethel
Blondin–Andrew	Bodnar
Boudria	Brown (Oakville—Milton)
Brushett	Bryden
Caccia	Calder
Campbell	Cannis
Catterall	Chan
Clancy	Cohen
Collenette	Collins
Copps	Cowling
Crawford	DeVillers
Dhaliwal	Dingwall
Discepola	Dromisky
Duhamel	Dupuy
Easter	English
Fewchuk	Finlay
Flis	Fontana
Gagliano	Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gallaway	Gauthier (Ottawa—Vanier)
Godfrey	Goodale
Graham	Gray (Windsor West)
Grose	Grubel
Guarnieri	Harb
Harper (Churchill)	Harvard
Hickey	Hopkins
Ianno	Iftody
Irwin	Jordan
Keyes	Kirkby
Knutson	Kraft Sloan
Lastewka	LeBlanc (Cape Breton Highlands—Canso)
Loney	MacLaren (Etobicoke North)
Maloney	Marleau
Massé	McCormick
McGuire	McKinnon
McLellan (Edmonton Northwest)	McTeague
McWhinney	Mifflin
Milliken	Minna
Mitchell	Morrison
Murphy	Murray
Nault	O'Brien
O'Reilly	Pagtakhan
Parrish	Peric
Peterson	Phinney
Pickard (Essex—Kent)	Proud
Reed	Regan
Richardson	Robichaud