will probably have the courage in this case to amend one of our own.

• (1420)

The long term prospects of solar energy are actually raised by this bill. I, for one, would say it is important that we carry on extensive research in this field. At the present time, there are something like 21 dwellings in Canada where experiments are going on. The prospects of any immediate relief of our energy problems from solar energy do not seem very great to me, especially when I consider that under present technology the receivers of solar energy—and this does not take into consideration the storage and distribution system—would take up half the floor space of a house and would cost from $10 to $20 a square foot. The outlook, as our own public service experts agree, is uncertain. As I said, the best prospect seems to be that about 1 per cent of our total energy requirements will come from solar energy in about 15 years.

The sponsor of this bill in the other place made some far-reaching recommendations such as tax credits to home-owners and industries who become involved, and perhaps this may be the next step.

Finally, I am interested in the particular statement made by Senator Austin that this institute would be funded to some extent from the private sector, but also from government departments and agencies, both federal and provincial. This introduces an odd element into the bill. The bill specifically prohibits anything covered by its terms requiring a charge on the Consolidated Revenue Fund, but it also provides for the institute to obtain money from the government after it is formed.

Honourable senators, I hope that this bill will be referred to a committee, as suggested, and have a thorough examination there and amendment as necessary.

Senator Flynn: Honourable senators, Senator Austin expressed the hope that the debate would soon be terminated. I must say, however, that after listening to him, to Senator Hicks, and to Senator Grosart, I am convinced we should kill this bill right now at the second reading stage. This bill is very defective in form and in substance. It could not pass this place without amendments which would change its nature entirely. I would ask, therefore, that before the debate is concluded the Leader of the Government tell us exactly what the government's position is with regard to this bill. Does the government endorse the creation of this institute? If it does, how does it relate the work of the institute with that of the National Research Council? Will the government fund this institute? What exactly will the position of this bill be? If the government leader tells me that the amendments the government proposes to make in committee will render this bill viable and logical, that is one thing. But, in order to make this institute a workable proposition it would be necessary to change the entire nature of the bill. Any amendments made in committee to do that would have the effect of making this an entirely new bill, and the bill would certainly, for that reason, be irregular.

At this stage, second reading, I cannot vote for this bill; nor do I think the Senate should vote for it. In my opinion the bill is—well, there is a word which describes this kind of legislation perfectly, but it is hardly parliamentary. I therefore move the adjournment of the debate in order to give the Leader of the Government a chance to find some answers or explanations as to the position of the government with respect to the bill.

On motion of Senator Flynn, debate adjourned.

EXCISE TAX ACT

BILL TO AMEND (NO. 2)—SECOND READING—DEBATE ADJOURNED

Hon. John Morrow Godfrey moved the second reading of Bill C-54, to amend the Excise Tax Act (No. 2).

He said: Honourable senators, before proceeding to discuss Bill C-54, I should just like to take the opportunity to compliment Senator Frith on the excellent maiden speech he delivered last night. I have known Senator Frith for some 20 years, and during that time I have worked closely with him. I have always had the highest admiration for his great ability, which he demonstrated so well last evening.

Bill C-54 seeks to implement the proposals contained in the Ways and Means Motions of March 31 and April 18, 1977, relating to federal sales and excise taxes and the air transportation tax.

With regard to the sales tax measures, Bill C-54 provides for the extension of the period within which a person may apply to recover tax by way of refund, deduction or other payment in the general refund provisions of the Excise Tax Act. Currently, the act provides for a two-year time limit. This contrasts with the usual limitation period, at least in the common law provinces, of six years with respect to the recovery of moneys due. Most people who are barred by the present two-year limitation period are either individuals or companies who, through ignorance or carelessness, simply overlook the fact that they must apply within the two-year period in order to get a refund of moneys paid by them for sales and excise taxes which they did not actually owe. The Income Tax Act permits the department to reopen an assessment up to four years after the assessment has been made and, of course, at any time when fraud is involved. It would appear only reasonable that, if the department has four years in which to ask for further income taxes, the taxpayer should then have four years in which to ask for refunds of sales and excise taxes, which he is often required to pay even if they are not actually owed. This extension will apply to all applications, other than those which have expired on or before March 31, 1977. This limitation appears to me not to be equitable.

• (1430)

If the two-year period expired on March 31, then the taxpayer cannot apply for a refund. If it expired on April 1, 1977, he has an additional two years to ask for a refund. Why should not the requirement simply be changed so that anyone can make an application for a refund after March 31, provided it is within the four-year time limit at the time of the applica-