

Excise Tax

amendments which have been put forward, and have been well thought out.

● (2030)

We have had a great deal of support from the various interest groups which have an interest in the production of fuel alcohol. I believe that if the minister would sit back and consider the context of these amendments within the context of the energy policy and within the context of the task force on alternate energy, there would be very little hesitation in his acceptance of these amendments. I believe it would be done very quickly. However, we are being rushed here because of the odious closure motion which has been laid on us here. We have simply not had the time to consider these amendments which will move us from the very tentative experimental stage, as put forward in the bill, to the production stage that we are urging upon the government.

Therefore, I do not propose to speak further on this matter. I will yield the floor to my friend, the hon. member for Bruce-Grey. However, I will just comment very briefly that these amendments will move us closer to self-sufficiency in our total energy picture, reduce our reliance on imported oil, and we will be moving in a very consistent way with the national energy policy as put forward by the government.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I would just like to start off by trying to put this bill into context in light of the comments which the minister has just made regarding the whole issue on energy, the tax on natural gas, and government policy in general. The tax on natural gas is a very good example—as is the grouping of recommendations which have been made in Sections 75 and 76 in Bill C-57—of the narrowness of vision which really amounts to tunnel vision and the focus which the government takes on one aspect of the problem when the problem really includes a number of different aspects, taking the energy picture, economics and the country at large into consideration.

I think the natural gas example is a good one when one looks at the impact it has on fertilizer. It has been well pointed out that this will run through the system adding to fertilizer costs and increasing costs which are being borne particularly by farmers. In the end, they are bearing not only increased costs of production, energy and fertilizer, but also the costs of other government programs. Those economic costs are reaching a crisis point, and our agricultural community is really very vulnerable. Indeed, many farmers will go out of production because of the combination of these costs and the fact that they cannot continue to bear them. This, in the end, will leave us vulnerable in terms of food costs which will again increase our dependence on imports. The whole inflationary spiral will continue and feed itself.

This is where I have a great deal of trouble in accepting the comments of the Minister of State (Finance) (Mr. Bussières) because he seems to segment this, taking it as one aspect when it must be a combined, total picture. This is not unusual for the government to do. Indeed, this whole bill is a measure which is designed to increase the revenue to the government at

a time when it is feeding off our natural resources and when we are without an economic policy to give the business world any sense of confidence to invest in Canada. We have to prop our dollar up. We have to do unusual, extraordinary things to improve revenue. We have to keep the interest rates up, the government says, because of inflation. We know it is because the dollar is weak. If the government does not continue to keep it up there, the dollar will weaken further and will, in fact, fall precipitously. That is because of a lack of general understanding of the integration of economics with agriculture and energy. If that is something which the minister does not understand, hopefully some of the people in the rest of his department might; but certainly they do not focus on it when they draw up these bills.

I would like to spend my time mainly commenting on Sections 75 and 76 of Bill C-57. These are really designed to help promote the development of gasohol, denatured spirits or denatured alcohol, whatever one might call it. The bill has done one good thing. It has removed the excise tax so that gasohol or ethyl alcohol can be produced without the \$17.50 tax per gallon which is placed on spirits which are for human consumption. That is a good provision in the bill.

The other things which the bill does is to start to address the problems of the small producers who make alcohol for fuel purposes. This is done by providing what is called a temporary licence. The unfortunate fact is that as it is a temporary licence, it is really only good for one year. What has really been done is that, in combination with the money aspects of the bill, a system of regulatory control has been set up, including a temporary licence which must be renewed every year and including diagrams which must go to the department when a person wishes to make a still.

There are a whole set of regulations which would delight any bureaucrat but which would frustrate the heck out of anyone who was really serious about producing alcohol. Who can build and set up an economically viable still from spare parts, different pieces of equipment from different areas, when he must submit diagrams to someone sitting in Ottawa who will judge whether it is correct? Who will build a still if, at the end of the year, he must have another review and face the fact that his licence will either be withheld or not renewed? Who will do it when he knows he has only a temporary licence when, indeed, what he needs in a sense of confidence that the whole issue will be dealt with in a reasonable and realistic way?

What we have really done with this measure and the amendments which the government has brought forward so far is to go back to the position in which the Americans were during 1978 or 1979. In the several years since that time, the Americans have moved forward. They have what is almost a deregulation of the whole issue in the United States. An individual or a small producer, defined according to certain quantities, can go ahead and start producing ethyl alcohol for fuel consumption simply by making a telephone call. There are many arguments as to whether this is something we should promote in a grand way in Canada.