

through today as it is, it will not work because no one will build a still with a temporary permit of one year and no one will build a still if it does not satisfy one's particular needs. In other words, perhaps it will take the waste of two or three farms to keep the still operating efficiently.

● (2030)

There may be other matters which can be covered when we come to a detailed discussion of the motions which are before us. I think the four or five motions which deal with stills can be grouped together and voted on. They are simply designed to help in every way an individual, or a group of individuals, who wish to have a still. There is nothing in these regulations to stop a city person from having a still. Plants can be grown in a city garden, or waste can be picked up around a city, which can be used in making alcohol. Artichokes are better than grain, and sugar beets are also very good for making alcohol—any number of substances can be used for this purpose.

So long as we make it legal for those who wish to make alcohol within reasonable economic limits, I think this legislation is a big step forward. It puts us in tune with the progressive nations of the world. Above all, it allows us to move forward into the area of renewable energy resources, while at the same time it allows us to get rid of our waste. I would ask, therefore, that members of all parties give serious consideration to voting for the five motions which are before us. I think one of the motions should be dropped, but that can be decided upon later on.

Most members of Parliament do not talk about alcohol, but we have lived with this religious phobia in Canada too long. Now that there is a perfectly legitimate use for this type of alcohol, I think we should let this legislation go through.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I am very pleased to be able to join in this debate tonight, and to be called upon to follow the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). Much of the emphasis of my remarks will be in tune with the comments made by my hon. friend.

I would first like to discuss the bill from the aspect of the confusion caused to people who are trying to understand what it is we are debating. This is an omnibus bill which covers a number of areas. It has really been an effort to put into one measure matters which do not necessarily fit together. While we talk about fuel alcohol in one instance, we also talk about the excise tax on natural gas, which includes the area of small business. I think the way in which this legislation has come forward is not the most appropriate, and it is therefore confusing. On a broad scale, what this legislation indicates is the approach and philosophy which this government has toward the raising of revenues. Unfortunately, many of the measures in the bill before us look for ways to close what could be considered loopholes in many small business areas. In many instances it seems as though it will take as much money to collect these revenues as it would cost the government in lost revenues were they not collected. In this way it is really not a very productive effort.

Excise Tax

One matter which I wish to deal with very briefly is the fact that small business will feel the brunt of this legislation in many ways. First, it will be imposed upon to do more paperwork. The small businessman will have to comply with government regulations in a number of ways. Apart from placing a double layer of revenue on the final cost of a product, this legislation will impose a burden on that very sector of the economy which we hope would help to revitalize the whole Canadian economy. In this way it is a measure which is difficult to support.

One of the other major issues I wish to deal with is the petroleum and natural gas revenue tax. This is a tax which has an unfortunate consequence, particularly at a time when we are trying to achieve self-sufficiency, and trying to move toward alternative sources of energy, away from oil and into the use of natural gas. The net effect of this tax has been to create a large number of what can be called "marginal wells", areas of marginal production which are very questionable economically. We have ended up in a position where we find our natural gas exports to the United States markedly decreased. The market for natural gas is not there because of this increased tax.

Before I deal with the question of fuel alcohols I would like to deal with the 8 per cent petroleum and natural gas revenue tax. The point should be made that this tax is applied right at the wellhead, with a couple of major consequences. One of them is the effect this tax has on producers, particularly those in marginal areas. The tax does nothing to help in terms of improving exploration and development, nor does it assist in making the necessary steps needed to improve our net production of energy in this country. Thus at the producer level, this tax is having a detrimental effect.

In addition, this taxation places another layer on the taxation which already exists on the oil industry, with the cumulative effect of a 50 per cent decrease in exploration which has been seen in the last year or so. There has also been a 70 per cent decrease in the amount of land coming under exploration. In total, we are looking at about 20,000 workers in the oil industry who will be out of jobs this summer. This, in turn, will have a tremendous economic impact on the whole country. Finally, by placing this tax at the wellhead, the federal government puts itself in direct confrontation with the oil-producing provinces.

The fact is, Bill C-57 includes an aspect which is now before the Supreme Court, that is, the natural gas and gas liquids tax. It is a very serious constitutional debate in terms of the relationships between the federal government and the provinces.

I would now like to discuss the section of the bill which was dealt with by the hon. member for Qu'Appelle-Moose Mountain. The situation we have in Canada at the present time is that anyone who wishes to produce spirits or alcohol, whatever you wish to call it, is required to post a \$200,000 bond. This does not mean that one must pay \$200,000 but there is a significant economic factor involved for small producers. Also,