

faced with problems. We will see unemployment in the country like we never saw before. I can only say that the action of the NDP today was despicable.

This bill is long overdue. It has been three years since the introduction of Bill C-20, but all we have in Bill C-48 is a cut and paste job. There is the backing-in of Petro-Canada into known resources and exploration which has been conducted by other companies, and many other things. The companies which invested their own money under one arrangement are now being faced with another arrangement. Under the provisions of Bill C-20 Canadian or partially Canadian-owned companies were protected from being backed into by Petro-Canada or the government. The object of the back-in provision under Bill C-20 was not to nationalize the oil industry, but by contrast Bill C-47 is a direct assault on the Canadian oil industry. It is a direct assault to nationalize the oil industry, nothing more.

**Mr. Knowles:** We are on Bill C-48.

**Mr. Shields:** There is provision in Bill C-48 to allow Petro-Canada to invest money, if it has a 25 per cent ownership, to develop a resource once it is found offshore or in the north. Will Canada have the money to invest? From where will this investment money come? Will Petro-Canada have to go to New York, to the money markets of the world, to borrow the money? Will it have to borrow the money on debentures? If so, by borrowing on debentures will it not lose its status as a Canadian-controlled company? The possibility exists.

Royalty holidays for a period of years were allowed under Bill C-20, but now by contrast the present bill allows royalties only on reserves discovered prior to 1981. By no stretch of the imagination can it be argued by the present government that this bill will encourage increased exploration.

The bill totally ignores the priority. It is long overdue but it is not the priority. The priority facing us today is an energy agreement with Alberta and with the other producing provinces so that we can develop a secure supply from the western deep basin, develop the heavy oils and develop the tar sands. All of these matters have much more significance before bringing forward Bill C-48. When I next stand, I would like an opportunity to elaborate on this.

May I call it five o'clock?

## PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Ethier):** Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Burlington (Mr. Kempling)—Bankruptcies—Astra Trust—Re-Mor—Inquiry whether circumstances will be examined; the hon. member for Richmond-South Delta (Mr. Siddon)—Fisheries—Inquiry

### Capital Gains Tax

whether catch royalty or landing tax will be imposed; the hon. member for The Battlefords-Meadow Lake (Mr. Anguish)—National Defence—U.S. fighter aircraft crashing on Canadian soil.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions.

## PRIVATE MEMBERS' MOTIONS

[English]

**The Acting Speaker (Mr. Ethier):** Notice of motion No. 14 in the name of the hon. member for Lévis (Mr. Guay). Shall the item stand?

**Some hon. Members:** Agreed.

**The Acting Speaker (Mr. Ethier):** Stand by unanimous consent.

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## CAPITAL GAINS TAX

### SUGGESTED ABOLITION RESPECTING FARM LAND

**Mr. Blaine A. Thacker (Lethbridge-Foothills)** moved:

That, in the opinion of this House, the government should consider the complete abolition of the capital gains tax on bona fide farm land.

He said: Mr. Speaker, I rise pursuant to the following notice of motion which I filed:

That, in the opinion of this House, the government should consider the complete abolition of the capital gains tax on bona fide farm land.

I am convinced that capital gains tax on bona fide farm land is not in the national interest. My purpose today is to outline the reasons and to call on members, citizens and groups who agree, to press the government vigorously for changes before it is too late and irreparable harm has been inflicted on the country.

● (1700)

By way of background, Mr. Speaker, you will know that on a world scale Canada has about .5 per cent of the world's population and about 3 per cent of the world's arable land. Canada is a massive country with an area of some 2.3 billion acres. However, only 13 per cent of this area is suitable for agriculture. Only 4 per cent of our land area is either class 1 or class 2—the best agricultural lands. Over one-half of Canada's class 1 lands, and nearly 30 per cent of our class 2 lands, are located within 50 miles of Canada's major metropolitan areas. In 1971, 44 per cent of Canada's agricultural production was harvested in this 50-mile radius. Also, during 1971, over