

They should not make incorrect statements. The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) said that everyone in Newfoundland, all Newfoundlanders, would be happy with the federal-provincial agreement except for the Newfoundlanders in the Opposition. I will not sit here without making some comment on such a remark.

In my one minute let me indicate that we in Newfoundland have been listening to promises by the provincial Tory Government—as well as promises by this Tory Government—for years, promises of thousands of jobs. If we could eat promises, every Newfoundlander would weigh 600 pounds.

For the Parliamentary Secretary to rise and make such a statement came close to making me rise today to prevent the Bill from going through. It is only because of the request of the House Leader of the Liberal Party and the request of the Minister of State for Finance that I will now take my seat. That is a warning to government Members.

Some Hon. Members: Hear, hear!

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-8, an Act to amend the Petroleum and Gas Revenue Tax Act, be now read the second time and referred to a Committee of the Whole.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order. House in committee of the whole on Bill C-8, an Act to amend the Petroleum and Gas Revenue Tax Act.

In view of the fact that it is awfully close to four o'clock, we will not see the clock in order to expedite this matter.

Clause 1 agreed to.

On Clause 2—

Mr. McDermid: Mr. Chairman, under Clause 2, I was asked by my colleague how the numbers were arrived at in the extension of the tax credit on the PGRT. I should like to ask the Hon. Minister now if we could have some clarification of that point so that my colleague's question is answered.

● (1600)

Mrs. McDougall: Mr. Chairman, as to the figures, the cost is \$35 million per calendar year, and the \$64 million represents the cost for the first two fiscal years. It does not relate to the figures published previously because the last estimate was based on a more optimistic view of energy prices and because of the adjustment from a \$250,000 credit to a \$500,000 credit.

Business of the House

Clause 2 agreed to.

Clauses 3 to 5 inclusive agreed to.

On Clause 6—*Credit deductions*

Miss Nicholson (Trinity): Mr. Chairman, can the Minister tell us what studies were done to justify doubling the amount for this tax credit and what sort of economic analysis and comparisons were done because in other areas of the Department of Energy we see a cut of \$60.4 million, including some alternative energy programs? I would be interested in knowing the rationale for cutting the \$60 million, which includes alternative energy, at the same time as giving this tax break which results in forgone revenues of something over \$60 million to the oil industry.

Mrs. McDougall: Mr. Chairman, I do not want to comment on anything except this Bill. There were no particular studies made in connection with this. It was calculated by checking actual company by company data. The change was made because it is obvious from the experience in the Province of Saskatchewan, where there has been a very active drilling program, since it revised its legislation that tax incentives are important to this particular area of the industry.

Miss Nicholson (Trinity): Mr. Chairman, is there any appraisal of the number of jobs that are expected to be created as a result of this tax credit, particularly in comparison with the number of jobs that are being eliminated by the other measures in the economic statement which affect energy, mines and resources?

Mrs. McDougall: Mr. Chairman, we do not have a specific number, but we do have indications from our conversations with industry people that they expect quite an increase in activity and quite a few more jobs as a result.

The Deputy Chairman: Shall clause 6 carry?

Some Hon. Members: Agreed.

Clause 6 agreed to.

Clauses 7 to 13 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

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BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I want to extend my thanks to members of the Opposition, particularly the Hon. Member for Gander-Twillingate (Mr. Baker) who demonstrated a restraint that is typical of him but has not been seen today until now. I do appreciate the co-operation.

I rise now with respect to the business of the House on Monday. Hon. Members will recall that earlier this afternoon the Minister of State for Finance tabled a Ways and Means