

*Petroleum and Gas Revenue Tax Act*

**Mr. Orlikow:** Madam Speaker, I have another question. The Hon. Member and members of his Party have spoken frequently about getting the Government out of the energy industry and letting the free market work. Given the world price of oil, have not all private energy companies in the United States, in Canada, and in other countries cut back drastically on exploration? One cannot blame them. They are in business to make a profit, and there is certainly no profit to be made with the present world price of oil.

If we want to start planning for the time when conventional sources of oil about which he talked are gone, and if we want to start developing new sources in offshore Atlantic, in the Beaufort, or in the tar sands, will the Hon. Member not face up to the fact that the free enterprise system is not working and will not work? Will he not face up to the fact that it will take Government support, possibly in the form of a floor price, for companies to have enough cash with which to operate? If the Hon. Member and his Party think that the free enterprise system works well when the economy is growing—and I question that—will they not face up to the fact that when the economy is in the doldrums, as is the case in the energy industry at the present time, it takes Government planning and support to get the industry to do what is needed?

**Mr. Thacker:** Madam Speaker, there is no doubt that the Government will have to play a role in that regard. Our Party has never shied away from that historically, whether it was CPR, Air Canada or whatever. We see a role for Government, but the National Energy Program was not the mechanism. It was fundamentally flawed from the start. The Minister of Energy, Mines and Resources is now trying to come up with a sensible program, but we will still retain those market principles so that we have the necessary flexibility. Whenever we let Government in, we lose flexibility.

**The Acting Speaker (Mrs. Champagne):** Is the House ready for the question?

**An Hon. Member:** Question.

**Mr. Gauthier:** Madam Speaker, I was under the impression that the Hon. Member for Edmonton South (Mr. Edwards) was to rise. Those were the instructions I was given. I am sorry to see that some people—

**Mr. Lewis:** He is going to speak.

**Mr. Gauthier:** Either we have an agreement here and the Hon. Member for Edmonton South will speak or he will not. If not, I will speak.

**Mr. Jim Edwards (Edmonton South):** Madam Speaker, I should explain the jack-in-the-box routine. When I saw Your Honour on her feet, of course I sat down.

I am pleased to have the opportunity to intervene, however briefly, in this debate. As was said earlier this afternoon, today we are observing the wake of a late but not lamented tax.

I should say one or two things about the situation in Alberta as it stands today. The result of the National Energy Program and the compounding effect of the plummeting world price of oil are resulting today in over 50,000 people being unemployed

in the oil and natural gas field in the Province of Alberta. As a result of the implementation of the Western Accord in the spring of 1985, it is true that 1985 was a banner year in the field of oil and gas in the Province of Alberta. It was an example of the kind of instant recovery which such an industry can stage given the proper tax environment.

When the world price of oil plummeted at the end of 1985 and the beginning of 1986, it was clear that the last vestige of the National Energy Program, the PGRT, would have to go.

Alberta Members of Parliament were assiduous in their campaign to have the tax removed, and of course we had support from all corners of Alberta society. They had support from the workers, the individual entrepreneurs who serviced the rigs and the hotel keepers who had to board up their hotels with the fading of activity in the oil patch. Those of us who spent the summer in our ridings heard stories of tragedy, of opportunities lost, of families destroyed and of people whose ancestors had come to this country as immigrants and had, in the second and third generation, hoped to build up old money, some kind of capital vestige with which other parts of Canada are familiar. All those opportunities were lost.

• (1730)

It is estimated that approximately \$95 billion of potential investment capital was driven or sucked out of Alberta during the life of the National Energy Program. I would like to indicate what kind of lost opportunity that represents.

Speakers during this debate have referred to the situation in Manitoba. Those who are familiar with Manitoba history will be aware that the grain fortunes which were made in the early part of this century were readily convertible during the depression of the 1930s into the insurance industry. That opportunity was lost in Alberta because that \$95 billion was not available for reinvestment and diversification.

I am proud of Albertans. I am happy that we saw evidence last summer and this fall of their resilience and determination to recover. There are those who say that the removal of the PGRT has been long in coming. However, thank God it has finally arrived. This is a banner day in the history of Canada and Alberta. I mention Canada because I have never seen such genuine understanding of the situation in Alberta as I have seen in Members of Parliament from the Government Party and in the odd one from the Parties opposite. They have recognized the interrelationship of the petroleum and natural gas industry of Alberta with industries elsewhere. There is a causal connection between the diminishment of activity in the oil sands plants in the Fort McMurray area and the shutdown of steel mills in Sault Ste. Marie. I am very proud of the 30 or 40 Members of Parliament from central Canada who took it upon themselves, on their own time and at their expense, to go to western Canada to see the facts for themselves. I congratulate them for their statesmanship and wisdom in supporting the removal of the National Energy Program and, in particular, the PGRT.