

*Income Tax Act*

The House will recall that I was concerned about the incentive to save being reduced by this government, possibly in the next budget. The concern I expressed was that a void would be created into which the government might have to move to do the things which are not being done by the private sector because of the lack of investment capital.

I see that this energy program is creating the same kind of void in the oil industry. The multinationals will be stalled because they are not getting access to the exploration incentives they had before. The independent companies are weakened and are moving out. What does that leave? We must develop our energy resources in this country. It only leaves the state to do it, and that, apart from being something I believe is wrong philosophically, is wrong in very clear practical terms because the oil industry has always benefited from good, keen competition.

If I might remind hon. members of the West Pembina discovery about two or three years ago, that West Pembina field was like Swiss cheese. It had been drilled and drilled over the years, but someone came along with a new idea and said: "Let's try another way; we will go down deeper; we will go down 12,000 feet instead of 5,000 or 6,000 feet." That was the biggest oil discovery Canada has had in the last few years. That is why competition and a number of points of view and a number of ideas being brought to bear on a problem will discover oil and gas reserves in this country. That is why I think it is wrong to concentrate too much power and too much decision-making power in the state.

The desire on the part of the government to create these voids for the state is a very disquieting trend to me and to our party. We must be alert to this, try to stop it and draw it to the attention of people in this country because the implications will be bad for Canada.

**Mr. Peterson:** Don't exaggerate.

**Mr. Nielsen:** Have the guts to stand up.

**Mr. Wilson:** The final dangerous impact of Bill C-54 and the National Energy Program is the impact on Canadian unity. Again let me discuss this from the standpoint of the impact of the tax because that is what we are here for this evening. There are two key taxes in the National Energy Program. One is a production tax, which is basically a royalty. The other is a natural gas excise tax, which is basically an export tax or a wellhead tax. We can call it by different names, as the minister did in his budget, but it is still an export tax, and it is still a wellhead tax. Surely there are other ways by which the revenues the federal government wanted could have been raised, but no, it has chosen to do this and to have a head-on conflict with the producing provinces, which has led to the production cutback with which no one on this side of the House is happy.

We think that there have to be other ways of proceeding, but this is what has happened. Oil sands projects and the Cold Lake heavy oil project have been stopped. There has been an increase in the degree of alienation on the part of people in

western Canada. I urge the government to make changes with respect to the impact of these taxes so that we can move ahead in this important energy area in the fields of self-sufficiency, Canadianization and national unity because we will all suffer if changes are not made.

**Mr. Peterson:** Tax the consumer is what you are saying.

**Mr. Nielsen:** Have the guts to stand up if you have something to say.

**Mr. Wilson:** There has been some suggestion that the province of Alberta will cave in with respect to oil sands development and that it will allow oil sands development projects and heavy oil projects to go ahead. However, that is misleading and it is a misreading of the problem. Alberta's problem today as a result of the National Energy Program is not in the oil sands area; it is in the conventional area. That is where jobs are being lost today. Canada's problem is in the oil sands.

Alberta's problem has to do with conventional discoveries and the fact that work is not proceeding in the conventional field. The solution of Canada's problem is to solve Alberta's current problem, and that means an agreement on conventional as well as megaprojects. That is why we need a total energy package, and time is very much of the essence.

I think we all noted last week that Nova, an Alberta corporation announced its application respecting a \$570 million ethylene project. There are others to come. Others are sitting waiting for approval to go ahead from the Alberta government. If these proceed, as my colleague, the hon. member for Athabasca (Mr. Shields), said the other day, and then the megaprojects are piled on top of that, there will be tremendous social and economic strain in that part of Alberta. That is very much a concern to people in that part of the country, and we in this House must understand that because the pressure on the consuming provinces is there now. We in Ontario or Quebec—in the eastern part of the country—should recognize that we must come to grips with this problem in Alberta. We must understand Alberta's problems if we are to find a proper solution to the deadlock we are in today. That is why I say that the Government of Canada must change the impact of the taxes in these three areas.

In devising ways by which those changes are made, I think it is important that the federal government respect the jurisdiction of the province of Alberta in such a way as to encourage production, conservation and Canadian ownership.

From time to time hon. members opposite have said that we on this side are apologists for the industry or that we are looking out for the interests of multinationals. I do not feel sorry for the multinationals. I do not feel sorry for the independent companies.

**Mr. Regan:** You don't?

**Mr. Wilson:** However, I do feel sorry for people in Nova Scotia, Toronto or Montreal. Those are the people who will suffer. The independent producers put out some figures about