

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)—Automotive Industry—(a) Export of parts to European and Japanese car manufacturers. (b) Discussions with European and Japanese manufacturers; the hon. member for Algoma (Mr. Foster)—Employment—Inquiry respecting increase in funding of community development program; the hon. member for St. Catharines (Mr. Reid)—Excise Tax—Application to liquor sales—Purpose of indexation.

GOVERNMENT ORDERS

[English]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-57, to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, and motions Nos. 1 and 3 (Mr. Blenkarn).

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I am very pleased to participate in this debate this afternoon. This is a very important piece of legislation we are considering, particularly as it relates to the oil and gas industry and the future energy supplies in this country.

Bill C-57 contains two taxes which have proved to be the most damaging elements of the National Energy Program the government announced last October. These are punitive taxes and they have had an extremely damaging impact on the oil and gas industry.

Over the period of time between the announcement of this program and the end of last year, we on this side of the House drew attention to the many concerns people observing the scene have had regarding the impact of the energy program, but at that time we could not point to specific results. As Your Honour may recall, last week in the House I drew attention to some of these results. Drilling activity this year compared with last year at this time is down over 50 per cent. Sales of potential petroleum properties are down by 70 per cent this year compared with last year. The number of drilling rigs which already have left the country is 139.

Excise Tax

Those are the specific facts which have proved to us very clearly the impact of this energy program. These are short-term problems. These are problems which are with us today in Alberta, but they also have an impact on the rest of Canada, and we will be discussing this tomorrow in debate.

● (1650)

However, there are some very serious long-term problems that I wish to discuss because they must be faced today. The minister, whether it be the Minister of Finance (Mr. MacEachen) or the Minister of Energy, Mines and Resources (Mr. Lalonde), must show that he is sensitive to these concerns, that he is listening to what is going on around him, what I am sure he is hearing day in and day out from the people affected by these taxes.

My party and I have proposed amendments to Bill C-57 on oil and gas taxes, the effect of which is to totally remove the production tax and the excise tax on natural gas, thereby requesting the government to seek other forms of revenue. We have no quarrel with the government's seeking more revenue through oil and gas revenues. My colleague the member for St. John's West (Mr. Crosbie) made some specific proposals in his budget which raised the federal take to 24 per cent. So in principle we have no concern over this.

I should say that we feel very strongly that the government must respect provincial jurisdiction and not fight the energy battle on the backs of consumers, which is what is happening today with the endless price increases we have had since the end of 1979, many of which have only resulted in putting the tax revenues in the pockets of the federal government. The amount that has gone to the industry and producing provinces is a small part of that which has been collected over the past year and a half. We also believe that the government must take care that the burden placed on the industry, the source of production, must be fair and that the price and tax regime in Canada must be competitive with other countries in the world. Because people and equipment, as we have seen with the 139 drilling rigs, can move to more favourable jurisdictions.

Now, in all these areas this government has failed miserably, as we see from the statistics I referred to earlier. For that reason we propose to amend this bill by deleting the production tax and the excise tax on natural gas. There are many options available to the government to raise the funds it feels are necessary. The self-sufficiency tax in our 1979 budget clearly demonstrated that there are ways to seek agreement with the provinces. We had agreement in principle on that tax, as evidenced by an exchange of letters between the province of Alberta and our government. We could have, as they do in the United States, such things as a windfall profits tax or an excise tax on the end product, again as we proposed.

In previous debates we have drawn attention to the impact of production and excise taxes and have warned of the possible results. Now we have the clear evidence of these results, not just in the deadlock with Alberta but in the operating decisions taken by individual companies to cut back severely the amount of money they propose to spend. For Canada to have any