

Taxation

on it at every opportunity in light of developments in this House over the last few weeks.

• (2150)

I think it is most unfortunate that our history has left this unfinished business as far as one of our newest provinces is concerned, and I hope we have the good common sense to resolve it in a way agreeable to all.

There is one other matter on which I want to comment, and that is in reference to the natural gas and gas liquid tax in the provision regarding the production of natural gas in the Northwest Territories. Until 1987, any gas production that is exported from the territories will be taxed, while all production from the rest of Canada in the same period will not be taxed. This is an unfair situation and we should address ourselves to it. If any area needs encouragement in getting the gas flowing now, it is the Northwest Territories with its vast potential that is waiting to be developed. It is almost uneconomical to produce the amount that is at present being produced for export because of the application of this tax.

It has been my pleasure to contribute to proceedings in Committee of the Whole House and third reading debate, Mr. Speaker.

Mr. Jack Shields (Athabasca): Mr. Speaker, I am glad to have the opportunity to speak on this bill, although my remarks will be brief as there are only eight minutes left in the debate.

I should like to point out to hon. members that the hardship imposed by the tax that this bill deals with was drastically illustrated yesterday when the largest unreserved auction sale in the history of the oil industry took place in Edmonton. There were drilling rigs, trucks and all types of oilwell-servicing equipment that were put on the auction block. The sad thing is that members on this side of the House, particularly those from Alberta, have time and again attempted to bring to the attention of the government the damage that the National Energy Program has done to western Canada and the once strong and viable oil industry.

Every piece of equipment at that auction yesterday was owned by Canadians who had invested their hopes, their future, their dreams, their time, their expertise and their money in developing one of the strongest and most viable oilwell-servicing industries in North America.

The development of this sector of the oil industry contributed to the research and development that the government is constantly saying is required in Canada, and it was done by Canadians. Because of the National Energy Program, however, this company found itself facing bankruptcy, and so had to sell off its equipment. These were drilling rigs that were designed and fabricated in the plant in Alberta and which had never spudded into a hole. They were brand new. The manufacturer felt that one particular piece of equipment would have to fetch at least \$1 million in order for him to break even, but it sold for \$510,000.

I have been in my office listening to the debate on the monitor and I have also been here in the House listening to hon. members opposite discuss the implications of the tax on the oil industry and on the people of Canada. I must try to get across to them that this tax has dried up the cash flow of the very companies that we are asking to find new oil so that we can reach energy self-sufficiency within a reasonable time. It is absolutely impossible for this country to reach oil self-sufficiency by 1990, as any knowledgeable forecaster will tell you.

Alsands and the Imperial Oil project at Cold Lake have been abandoned, as has been the pipeline. We cannot even hope to explore the areas in the western basin that are reported to have oil. The enhanced recovery programs are not moving forward, yet we constantly hear that we will reach oil self-sufficiency because we still have Hibernia. We all know about the Hibernia fiasco and what is happening there. The government and the Department of Energy, Mines and Resources is now attacking Newfoundland in the way that it attacked Alberta.

The government also speaks of the vast oil exploration program in the Beaufort Sea, but knowledgeable people writing in the newspapers and business journals explain what is happening there. It has become clear that we will not get any great quantity of oil from the Beaufort Sea in the 1980s. Our only hope for oil self-sufficiency in Canada in the intermediate term was to develop the tar sands and the oil sands. The Cold Lake plant was one giant research project, but the tax that we are about to vote on hit investors so hard that they felt they could not go ahead with it. They did not have enough cash flow from other operations in Canada to support the massive investment of \$13 billion that was required. The investment community has lost confidence in the government, Mr. Speaker. It must redesign the national energy policy and it must redesign the budget. It must get Canada moving again!

The Acting Speaker (Mr. Blaker): Shall I call it ten o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It being ten o'clock, pursuant to the order made on Friday, May 7, 1982, it is my duty to interrupt the proceedings and put forthwith without further debate or amendment every question necessary to dispose of the third reading stage of the bill now before the House.

• (2200)

[Translation]

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.