

been done by previous governments but they had not been answered. Therefore it was very easy to answer them. The amount answered represents 37.3 per cent.

Members of the Liberal Party have placed 55 questions on the Order Paper, eight have been disposed of, which represents 14.5 per cent. Members of the New Democratic Party have placed 22 questions on the Order Paper, none of which has been answered as yet. I hope to rectify that as soon as possible.

In total, 22.9 per cent of the questions have been answered to date. I would like to inform Hon. Members of the House that the number of questions answered is considerably higher than the number answered in the last two Parliaments on the 28th day of sitting.

Mr. Gauthier: Mr. Speaker, yesterday I asked the Parliamentary Secretary whether he would answer question No. 91 dealing with the court challenges program which, as he knows, is a very, very important issue in this country. The Parliamentary Secretary replied "soon". Could he give me a definition of what the word "soon" means?

Mr. Dick: Mr. Speaker, it means not in a long time. It means in a shorter period of time.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

● (1210)

GOVERNMENT ORDERS

[English]

PETROLEUM AND GAS REVENUE TAX ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-8, an Act to amend the Petroleum and Gas Revenue Tax Act, be read the second time and referred to Committee of the Whole.

She said: Mr. Speaker, I am pleased on behalf of our Government to rise in the House today and put before Hon. Members for second reading Bill C-8, an Act to amend the Petroleum and Gas Revenue Tax Act.

The Bill before us clears up some unfinished business from the last Parliament. Many of the provisions included in this Bill have been in effect for over two years, despite the fact that the Bill never received parliamentary approval. Taxpayers acting in good faith have filed their returns and paid their taxes as though these provisions had the force of law. It is only fair to the affected taxpayers to give this Bill our final approval so that assessments can be completed and refunds paid.

Petroleum and Gas Revenue Tax Act

With the exception of one important amendment, we will be proceeding with the Bill essentially unchanged from the form in which it was tabled last winter. We hope this will avoid any unnecessary delays in its passage.

The Bill includes some significant policy changes to the Petroleum and Gas Revenue Tax Act which were introduced by the former Government and were effective on either June 1, 1982 or January 1, 1983. These amendments implicitly recognize the failure of the tax in its original form to cope with both the upturns and downturns which are an inescapable part of doing business. In order to remind Hon. Members, the relieving measures included the introduction of a \$250,000 annual credit for small corporate producers against their PGRT liabilities on Division 1 production revenues, a provision for the deduction of drilling expenses and the cost of oil well machinery related to an enhanced oil recovery project from the projects earned production revenue, and a one-year reduction in the effective rate of PGRT from 12 per cent to 11 per cent.

The temporary reduction in the PGRT rate is now history. It applied from mid-1982 until mid-1983, a period which was particularly difficult for oil and gas companies.

The annual credit for small corporate producers was set at a maximum of \$250,000 by the former Government. This \$250,000 credit ensured that the very smallest, struggling producers were not burdened by a tax they could ill afford to pay.

While this credit was certainly a move in the right direction, it did not go far enough. Therefore, today's Bill includes a new measure which my colleague, the Minister of Finance (Mr. Wilson), announced in his recent economic statement. The \$250,000 annual tax credit against the PGRT liability on production revenue will be doubled to \$500,000 effective January 1, 1985. The doubling of the maximum credit against PGRT will provide the Canadian petroleum industry with an extra \$35 million per year. We have chosen to make this major move since the Bill was tabled in Parliament last year because many Canadians want and need very badly modifications in the tax regime.

The Government recognized that major modifications were called for in the tax structure as it applied to the oil and gas sector. All Canadians, but especially those engaged in this sector, need more incentives to invest, to invest right here in our own great land. Through appropriate incentives we can achieve a much larger participation by Canadian investors in this sector as well as increased discovery rates and development of resources.

This would mean increased reliance upon Canadian oil so that we would benefit as producers because we would pay Canadians in addition to and rather than foreign producers. As consumers we would benefit from lower dependence on foreign supplies, and as taxpayers we would benefit by reducing our deficit.

Therefore I urge Hon. Members to give the Bill speedy passage, not only because it is an incentive to the Canadian oil and gas sector to proceed full tilt with their part in restoring Canada's economy to prosperity but, more important, the Bill