

Taxation

availability of inexpensive natural gas, and it began close to 100 years ago. There are a few disadvantages, such as the distance between us and our markets. We supply primarily cut flowers to the greater part of western Canada, and there is the problem of non-availability of common carriers to transport those cut flowers. There are the costs of machinery and other imported goods and, of course, the cost of labour, but by far the greatest cost is the incredible increase in the cost of natural gas used for heating greenhouses.

The operator of one particular greenhouse operation, known as the Redcliff Greenhouses, made a statement at that meeting a week ago today saying that by the end of this year its annual gas fuel bill will be six times its bill of just a year ago. Redcliff Greenhouses has identified what its fuel cost figures have been over the last four years, and they tell quite a story. Very briefly, here it is; in 1979 the operation's natural gas cost totalled \$9,130. That represented 1.3 per cent of its gross costs. In 1980 those cost had risen to \$14,000, or 1.8 per cent of its gross costs. In 1981 the cost totalled \$40,000, or 4.5 per cent of gross cost. However, its estimated 1982 costs are \$83,800, or a 9.9 per cent increase. Is it any wonder that there is a very grave concern about the survival of the total greenhouse industry in my home city and, in fact, all across southern Alberta?

Now a word about the agricultural food cost aspect as it is affected by the additional costs of natural gas due to these taxes. They are already the largest single factor in the rapidly rising cost of food across the prairies. About 80 per cent of Alberta's 85,000 farmers now have natural gas service to their farmsteads. It is a significant accomplishment to have natural gas in almost every farm in Alberta. Across southern Alberta on our irrigated lands natural gas has become a major source of energy for sprinkler irrigation, especially the centre pivot type. Over the last two years this energy source has quickly become the most expensive, much higher in price now than diesel fuel and electrical power. Electrical energy is now the most economical, and not too long ago it was the most expensive.

On a province-wide basis the oil and gas taxes have increased the cost of farm fuels and fertilizers by staggering amounts. The end result, of course, is much higher food costs for both humans and livestock.

The oil and gas well servicing industry is a very important sector in Alberta. It is not a big multinational group including large Canadian-owned companies, but this sector, which services individual drilling operations, is a very important sector, and it is headquartered to a large degree in my constituency. It includes a wide variety of small equipment units, from the very large drilling rig outfits that sometimes require 40 or more trucks to move a single outfit to the individual single truck outfits such as water haulers. This total industry has been devastated by the National Energy Program. The town of Brooks in the northwest corner of my riding had a population of about 9,000 a couple of years ago. It has shrunk since. This area is probably the hardest hit service centre in western Canada, but the cities of Medicine Hat and Red Deer

and other smaller centres have also suffered and continue to suffer.

The tragedy is that almost all of these service outfits are Canadian developed and Canadian owned, and they are the original private enterprise outfits, although a significant number are no longer now operating, for reasons of bankruptcy, no work available or forced moves to other areas, especially to the United States, and some of them even to the continent of Australia.

Not too long ago the Alberta government announced a new and special assistance program amounting to over \$5 billion which specifically recognizes the special circumstances and needs of this servicing industry. Yesterday at the committee stage I asked the Minister of State for Finance if he did not feel it appropriate that the federal government contribute a similar amount—at least some—and after a second prompting his reply was this:

About the natural gas servicing industry, I must admit to the hon. member that that proposal is not now under consideration.

That, of course, is a very severe disappointment to all of us in Alberta. I think there was an opportunity there for some joint action by both levels of government.

We have a situation in the heavy crude oil area of our energy production in southern Alberta and southwestern Saskatchewan on which I want to make a brief comment. While it is not generally known, there is a smaller but significant heavy oil industry in those two areas, the whole of southwestern Saskatchewan and in the Suffield military reserve. Most of these wells are closed in and not producing, mostly because they are not economic to operate. This is partly due to the long haul to the United States upgrader refineries where it must be hauled for refining, but the planned upgrader plant for Saskatchewan which seems to have been shelved for now—perhaps indefinitely—because of the uncertainties brought on by the National Energy Program, is a major reason why these are uneconomic to produce.

I want to make some special comments about mineral rights in western Canada and offshore rights. My colleague, the hon. member for Bow River (Mr. Taylor), has already referred to this item of prairie history, and it is an interesting part of our history. By 1905 the three prairie provinces were part of confederation, but what is not generally known is that our lands as well as our mineral rights were not ours to sell or rent for needed revenues until 1930, 25 years after Alberta and Saskatchewan were created. It is no wonder we were essentially bankrupt for our first 25 years. Then, after getting our land and mineral rights in 1930, we had to endure the next ten years of drought and depression. By comparison, Ontario and Quebec have enjoyed their land and mineral rights since confederation. In other words, they have enjoyed those rights from day one. In all fairness, is it not appropriate that today Newfoundland's offshore resources rightfully belong to Newfoundland? Newfoundland's claim is perfectly understandable and long overdue. Certainly all of western Canada feels like this about this issue. Members on this side comment