

*Canada Petroleum Resources Act*

One of the characteristics of the energy debate which began even before the last election campaign, and one of the characteristics of statements that have been made by the Minister of Energy, Mines and Resources (Miss Carney) in regard to Bill C-92 and its erstwhile predecessor with the previous administration, is the attractiveness of the rhetoric that the Government has been able to marshal in its support for the measures that it is proposing in this Bill. Some of the rhetoric is literally on the acceptability level of God, motherhood and apple pie.

The Government has been talking of simplification. Of course, no one would oppose that, except upon realizing what is entailed in that simplification process.

We have heard the energy industry described as an engine of growth, as indeed it has been for many areas of Canada. I do not doubt that the energy industry has the potential again to be an engine of growth in those areas but we must also remind ourselves of the difficulties that fluctuations in energy prices have caused in other parts of the country. We should remind ourselves that this engine of growth cannot be created without assistance from the Government and cannot spring from the ground, fully armed, at the Government's behest with the passage of this legislation. Nor is it something that could or indeed should be insulated from the world market. It will not happen automatically by the Government's legislative or, as we see in this Bill much more clearly, regulatory fiscal fiat.

● (1210)

We heard, after all, as part of the campaign of rhetoric the so-called putative practice of "drilling for grants" condemned. Indeed, with the generosity of the previous fiscal regime, a suspicion might legitimately have been held that companies were "drilling for grants" rather than for energy finds, were it not for the fact that those of us who spent a substantial portion of our lives in the private sector know very well that whether or not there are tax incentives applied, a company will always choose the most attractive form of action, the more attractive field to drill, if it is faced with a number of potential opportunities.

Another part of the rhetoric which was included in the Prince Albert declaration was the elimination of confiscation. Of course, the very idea of confiscation in a free and democratic society is something which is abhorrent. But the whole rhetorical campaign about the elimination of confiscation entirely begged the question and, indeed, ignored the evidence of what Canadians were contributing by way of tax incentives, subsidies and the whole range of breaks, bonuses and inducements in the National Energy Program to the development of Canada's oil and gas industry, particularly on the frontier. In reality there was no confiscation proposed but, as I will attempt to demonstrate later in my speech, simply a measure which provided some return to the Canadian taxpayers for the very substantial investments we all have been making in the development of Canada's frontier lands.

We were told that the Government would guarantee Canadian participation. My colleague, the previous speaker,

exposed some of the fallacies regarding that particular piece of rhetoric and I will attempt to uncover more. We were told, and this must surely be a phrase which is imbedded in the instant memory of the Government word processors, presumably available at the pressing of one key, that the changes would ensure effective regulation and administration. That again begs some very profound and fundamental questions as to what should be regulated and what should be administered. We were told that this legislation would protect the public interest. That is again something which is right up there with apple pie in terms of rhetorical content. We were also told that, in an echo of the drilling for grants and not for oil, that the policy would reward success and not effort. I am glad to see that the Bill before us does increase the claimability of earned tax credits, because that is something I believe will reward small Canadian companies which are active in this area, but this is really just a pale whimper of the rhetoric of rewarding success and not effort.

Something I must say about Bill C-92 is that we are glad to see that hindsight and experience have tempered some of the measures the Government might otherwise have been tempted to take. We are glad to see we do not have a Bill which is predicated on the assumption of continued strong rising prices on the international oil market. I am also glad to say we have a Bill which seems to come fairly close to being "assumption-neutral" in those terms. It is a Bill, in fact, which will provide for a regime which will at least function whether the prices go up or down.

There are some pretty significant points of criticism about this Bill, some which I would like to go into at some length. One of these criticisms relates to the idea of a single bidding criterion to replace the existing process of negotiation between companies and the Government, which can be used to foster local employment, contracting, the training of workers of aboriginal origin, the pace of development and a wide range of other considerations.

One of the great fallacies we continue to commit in the framing of industrial policy instruments, such as Bill C-92, is that such developments occur in a vacuum, whereas manifestly they do not. They occur as part of over-all economic development and as part of over-all social development. There is one thing we should never allow ourselves to forget in this Chamber and in our public pronouncements elsewhere, and that is that the whole purpose of an economy is to serve society. The whole purpose of any part of our industrial, commercial trade or, indeed, administrative economy, is to serve and develop society. Something I see in the reverting to a single bidding criterion is the potential danger of ignoring or overruling, or the simple discarding of the very legitimate concerns of people in the affected areas, many of whom are the descendents of the original inhabitants of Canada, the danger of glossing over the concerns they very legitimately hold and the disruption of their traditional economic and social patterns.

I would like to quote from a few documents with respect to those matters, because one thing I notice, and something