

Supply

Canada, as in Texas, when one wants to look at a place to explore, the Government charges a huge fee? One must bid simply to get into the poker game. If you went to a poker game where they charged you \$50,000 to sit down, Mr. Speaker, you would not join many poker games. That is why only 400 companies, with huge backlogs of financing and self-earned earnings, are able to afford that poker game.

I could go on and list all of the things that have been done in the House over the last 25 years. I shall suggest a policy that I originally proposed in 1957. That proposal was accepted by all of the oil companies, both American and Canadian, in 1961. It was finally accepted in the House of Commons by the present Government in 1976 under the Hon. Judd Buchanan. That proposal is to go back to the commonsense way of financing for these great risk enterprises in which the biggest cost is interest on the money that must be borrowed in order to go forward with these enterprises and to give to these capital intensive enterprises with their high interest load a contractual arrangement that was put forward in the Liberal Government's regulations of 1976. That was accepted by all Parties in the House, but instead of that, we now have the so-called National Energy Program of 1977.

The contractual arrangement that I refer to has been discussed in the House. It has been discussed in committees of the House. The Hon. Don Macdonald, in committee, accepted the proposal. When I asked him what he thought would be a fair break after all of the debts were paid off, he gave me some figures, and I am willing to accept those figures.

The Hon. John Turner, standing up in the House, said that my figures were correct but that, unfortunately, businesses did not operate that way because most of the business in Canada, not in the mining sector but in the oil and gas sector particularly, follow a financial practice that has been copied from the Americans. The Americans have never been able to get rid of that type of financing.

When the great oil play started in the North Sea, the British Government accepted this type of regulation very quickly, as did Norway, Denmark and The Netherlands. Today, with all of the debts paid back, the British Government receives nearly 50 per cent of the gross value of the oil and gas from that field. The companies are well rewarded with about 30 per cent which pays all of their costs. They get all of their money back and they get an amount of money in addition that gives them a 25 per cent profit on all of the money that was invested and has now been returned. As well, Venezuela has copied that system in part.

I suggest that we return to the fundamental way of handling these problems, which is to return to common sense financing. If we look at the costs of the oil industry and the gas industry in western Canada from 1922 until 1957, we see that 75 per cent of those costs were interest payments. I do not have the figures from the last 30 years, but I am sure they would be as high. When one spends 75 per cent of one's costs on interest, one goes broke. This happened to all of our corporations in 1982. If one looks at the figures, approximately 70 per cent of the costs to all big corporations in Canada was interest pay-

ments. That is why so many corporations went down the tubes.

Without stressing that point any longer, the final point I make is that we must consider the infrastructure in an isolated mining area. I would simply apply the same rules as are applied to a mining company or an oil and gas company to the infrastructure costs so that the people who live in those areas may share in the investment and the returns as these costs are part of the total costs. The last point I have to make, which I will not discuss, is simply what we must do in the international market.

I would like to think, Mr. Speaker, that the House, in this moment of constructive discussion of resource policy, will give honest consideration to moving immediately toward some form of mining tax improvement to put the mining industry back in the position it was in some ten years ago.

The Acting Speaker (Mr. Blaker): I will pursue the matter of whether or not there are questions and answers.

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): May I deal now with the adjournment motion. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York North (Mr. Gamble)—National Security—Expulsion of Soviet embassy official. (b) Staffing of Soviet Embassy; the Hon. Member for Carleton-Charlotte (Mr. McCain)—Trade—United States potato import hearings—Request for Canadian representation; the Hon. Member for Mississauga South (Mr. Blenkarn)—Finance—Capital gains tax amendments. (b) Treatment of stock purchasers. (c) Application of tax to speculators.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—RESOURCE INDUSTRIES

The House resumed consideration of the motion of Mr. Oberle:

That this House regards the Government's failure to take action to encourage the development of Canada's resource industries and ensure their competitiveness in world markets as a betrayal of all Canadians whose standard of living depends upon the resource sector of Canada's economy and calls upon the