

Madam Speaker, I am also very proud of our Government's decision to move the date on which this tax will be eliminated up to October 1, 1986. This shows that our Government has the flexibility to adjust to the needs of Canadians and it also demonstrates our determination to respond effectively to the needs of regions across this country, in East and West, that are facing serious economic problems today. It also reflects the new climate of co-operation and dialogue with the provinces and industry which the Conservative Government managed to create since it came to power in 1984.

Madam Speaker, by immediately eliminating the PGRT, the Government is meeting its commitments in this area, which I would like to mention very briefly.

The commitment to reduce and eliminate Government intervention in the energy sector has been met by replacing a system for setting oil and gas prices with a system that is market-oriented.

The costly and interventionist grants system which guided drilling activity has been replaced. Another commitment made by our Government was to restore investor confidence in Canada by eliminating the 25 per cent retroactive Crown interest in the Canada Lands and by creating Investment Canada.

Another commitment made by our Government was to promote a climate of co-operation between the federal and provincial Governments, and I am thinking of the Western Accord, the Atlantic Accord and the Nova Scotia Agreement.

The commitment to provide a more equitable petroleum revenue tax system was met by this Government by raising the small producer tax credit as of November 1984, and by declaring that production after March 31, 1985 would not be subject to PGRT.

Furthermore, the Government has provided compensation for the PGRT to help companies without taxable income. Tax rates will be reduced as of January 1986, and there will be a \$10,000 deduction for persons and companies receiving royalties after January 1, 1986.

Another point is that synthetic production will not be taxable after May 1, 1986. Small producers will benefit from a higher tax credit as of May 1, 1986 and, two more points, Madam Speaker, the \$1.5 million retroactive deduction for individuals and companies, and the abolition of the petroleum and gas revenue tax on October 1, 1986.

The Government has honoured its commitments in the energy sector, and the decision was made in co-operation with the provinces. I am confident that the abolition of the PGRT and the political initiatives taken by the provinces will soften the impact which falling world prices may have had on the oil industry.

Another factor is the re-investment of these funds in exploration and development projects which will protect and create jobs in this vital industry.

This past summer, Madam Speaker, I had an opportunity to visit northern Alberta, and I went to Fort McMurray, Norman

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Wells, and Inuvik in the Sea of Beaufort. I had a chance to meet with workers from Val-d'Or in my riding, about ten of them who went west under the previous administration. They stayed there because they have jobs.

This decision flows from lengthy discussions the Minister of Energy, Mines and Resources had with spokesmen for sector organizations and major companies who gave the assurance that savings resulting from the abolition of the PGRT will be re-invested in the industry.

Madam Speaker, this amendment will guarantee a fairer tax treatment for quite a number of smaller oil and gas companies which depend on royalties and which were unable to take full advantage of the recent tax credit increase available to them under the provisions of the PGRT legislation. This assistance attests to the leading role played by these companies with respect to development and job creation in certain industries throughout the country.

The Government has repaired the damage done by the national program established in 1980. Madam Speaker, wherever we may come from, including my vast riding of Abitibi, we all know that gas prices have been going up and down like a roller coaster, prices have always been going up and down since the early days of this country, just like a roller coaster.

[*English*]

**The Acting Speaker (Mrs. Champagne):** Questions or comments? Resuming debate.

[*Translation*]

● (1640)

**Mr. Raymond Garneau (Laval-des-Rapides):** Madam Speaker, I welcome this opportunity to speak to this Bill, but I wonder who wrote the speech for the Hon. Member for Abitibi (Mr. St. Julien). It seems to me he should have checked his notes, which may have been prepared by others, before saying what he did. Basically, what the Hon. Member for Abitibi told us is that his constituents did not get any benefit from the national energy policy.

Madam Speaker, I would like to ask the Hon. Member for Abitibi what would have happened during the years 1982-83-84 if there had been no national energy policy that made it possible for his constituents, and Canadians across this country, to pay far less for their heating oil than they would have if the market to which he referred had been completely free. We all know, Madam Speaker, that in the North, the price of energy, especially during the winter, has a major impact on the purchasing power of the taxpayer and represents a major expense for the family budget. If the national energy policy had not been in place for several years, Canadians, and especially Canadians in Eastern Canada and the Canadian North who have to spend a substantial part of their budget on energy for heating purposes, would have been in a very tight spot.