

Petroleum and Gas

comments on his Party's position on competition as a mechanism for setting price in the petroleum industry, particularly on his Party's position on competition legislation that would be designed to protect the smaller players in the industry against predatory practices by the larger players?

● (1700)

Mr. Hees: Mr. Speaker, I am first, last and all the time a free enterpriser. I do not see any better way of setting prices on any commodity than by the free play of the marketplace. If the price of gasoline is set by competition, in my experience, as in my experience with the price of any commodity, if there is free, wide open, unhindered competition in the marketplace, the public gets the best break possible and gets the lowest price possible. All of those competing for the business bring down the price as low as they can to stay in business and enable them to keep supplying the consumer.

The Acting Speaker (Mr. Guilbault): Order, please. This puts an end to the question period. The Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, if we had had more time to ask a question of the last Member, I might have asked him the following question, which I ask him rhetorically. The Hon. Member said that he is in favour of the free market for the price of gasoline. Does he consider the OPEC oil cartel a free market? The OPEC cartel were setting the prices. I am sorry the Hon. Member is leaving the House.

Mr. Hees: I have no alternative. I am more and more bored every minute.

The Acting Speaker (Mr. Guilbault): Order, please. May I ask Hon. Members to respect decorum. A Member just passed between the Chair and the Member who has the floor. That Member is outside the chamber now. This situation should not be tolerated.

Mr. Waddell: Perhaps the Hon. Member is relying on his senility and not his ability.

Some Hon. Members: Order.

Mr. Fisher: That is pretty juvenile.

Mr. Malone: He just passed in front of the Member for Vancouver-Kingsway (Mr. Waddell), that is all.

Mr. Waddell: Mr. Speaker, I just began to speak—

Mr. Evans: Withdraw.

Mr. Malone: To prove you are senile.

Mr. Waddell: The Hon. Member surely has not had a chance yet to hear anything I have said. I raised a question that pertained to the whole nature of politics in Canada in the last five years. The Conservative Government lost the 1980 election on the whole issue of oil pricing. It was precisely because of the rather ill-informed remark of the last Member

who spoke, who I think should know better because he has been around this House for a long time, that Canadians were not prepared to accept the notion of a free market in oil.

If the House bears with me, I will tell you why, Mr. Speaker. The Clark Government fell over a budget that basically had as one of its central pieces the notion of very steep rises in the price of gasoline.

Mr. Malone: Eighteen cents.

Mr. Waddell: The acceptance of this by the Conservative Party was dictated at the time by an Alberta caucus which wanted—and the Alberta people were pushing their own interests which is exactly what they should do—world price for oil. The Canadian people had difficulty seeing that. The reason for that difficulty was that they saw the same oil which had been \$3 a barrel in 1970 was suddenly \$28 a barrel. To people it was the same oil and to them the resources were not the resources of the oil companies or even the resources of one province or one part of the country; they were resources belonging to all Canada. Thus the Canadian people could not see why the price should go up so steeply to world price which the Conservative Member who spoke before me just advocated; he said that there would be world price for oil.

In effect, that is what a lot of the politics in this country have hinged upon in the last five or six years. Canadians saw that was an artificial price, fixed basically by the Arab countries, the oil exporting countries. Our producers wanted to go along with that because they would get windfalls from it. Governments would get windfalls in their taxes. The federal Government, of course, wanted the windfall as well. This is where, if I might say so, the Clark Government was very weak and was unable to deal with the provincial Premiers, one in Alberta pulling one way and one in Ontario pulling the other. I think that is one reason, when history is written, why that Government fell.

Mr. Malone: Tell us about Laxer.

Mr. Waddell: The Hon. Member says "tell us about Laxer". I am going to deal with Laxer in a minute and, indeed, I will tell him about Laxer.

This Bill—and I want to tie in what I have said with this Bill—reduces the effective rate of tax at the wellhead from 12 per cent to 11 per cent. This is what the PGRT, the petroleum and gas revenue tax amendments, does. It is easy for all these people in the oil and energy industry to throw around these terms, but for the average Canadian it is helpful to think that what we have is basically a pie. That pie is our oil and our gas resources in this country, and we have to split up that pie. That is what all the fights between the provinces and the federal Government have been about. That is what the National Energy Program—

The Acting Speaker (Mr. Guilbault): I am just making a remark once again. I will make it in French this time.