

Petroleum and Gas

was a necessity. What the Government projected would happen to the price of oil did not happen. Further, the price of oil has gone in the reverse direction from that which the Government intended. What the Government has done by this change in this Bill is to try to say to Canadians, "We are giving some of it back". It is too little too late. As well, it is too late to save that Government. The Government has gone too far to recover.

I have an active interest in victims of violence. The gentleman with whom I have been working asked me to get a copy of the Bill introduced yesterday. I got a copy of it right after it was presented in the House while I was waiting to speak on this Bill. I noticed that the amendments to the Criminal Code are in another omnibus Bill. This reminded me of the days when we had the ringing of the bells. I thought the Government would learn from experience that it is not acceptable in the House of Commons to have an omnibus Bill.

Mr. Malone: An octopus Bill.

Mr. Fennell: We proved that in the energy Bill. The Government had to make major changes from the original Bill that was presented. The Government had to break it up. The Government had to put things in a proper format.

At that time I gave an extended speech. This was prior to the change in rules. My speech was an hour and fifteen minutes long. I will be quoting some statements I made at that time two years ago that are so accurate. I am not often that accurate. But what I said then has happened now. This Bill removed cash flow from the oil industry in western Canada. Now the Government is telling us that through the changes the Government is giving a \$2 billion incentive for heavy oil.

I read a very interesting report written by a graduate student of the University of Alberta. This report was contained in the recent list of the Library of Parliament. It pointed out that over five years it will be less than \$900 million. Also it anticipated that when it is all in, it will be less than \$500 million. This is misleading the public. This is not telling the facts as they are. It indicates that it will give back much more than what will really be given back.

● (1550)

As I indicated in a previous statement, this year BP Resources is showing quite a fantastic growth in profit. I have talked with its officials. They are pleased to be rid of the marketing arm which was dragging it down into a loss position. This Government went out, created COR, collected money from every taxpayer to purchase BP, and it was purchased when the market was at its highest. We know for sure that the Government paid at least \$200 million more than it was worth. To date I have found out—and I am having this proven—that it will probably turn out to be more like \$500 million in excess of the asset value of BP.

On April 22, 1982, as reported in *Hansard*, I stated:

This is not Canadianization. Canadianization means looking back to our roots to see how our country began. This country was started by private enterprise and entrepreneurs. This is not Canadianization. It is government intervention and

nationalization. Nationalization has not worked in one country in the world and it will not work here. It is a disgrace. The Canadian ownership charge, which I will call a slush fund because that is how the government treats it, does not have a beginning or an end. It will just continue to be another tax grab by the Liberal government.

I knew it then. We knew it then. They have proven it now. We were told that it was to buy BP. We were then told that another half a billion dollars was required to bail out Dome. The Minister rose and said that that would be put into general revenue. That is a tax on every Canadian citizen, every day of the week. I maintain that it should be removed. We were right then. We stated the facts then. They laughed at us, they screamed at us and yelled at us here in the House. They said that it would not be that way. It is that way, and our point has been made.

The one thing to which I really object in the Petroleum Incentive Program is that the Government and the bureaucracy running it—it is the bureaucracy which runs the Government; the Government does not run the bureaucracy any more—have been incapable of picking out the winners and losers. I will not even quote the names of the companies. We all know them. I have said them enough times. They maintain that they are better qualified to decide where the money should be invested. This is taking it right out of the private sector. The Minister of State for Economic and Regional Development (Mr. Johnston) made a statement at the time that it was up to the private sector to make the profits and create the funds and that it was up to the Government to redistribute the wealth. What they have done is to eliminate the wealth. They have tried to pick where they will have winners. They have gone to the frontier on the East Coast. I think it is marvelous that that much development is going on there. They have gone to that part of the country. However, we still do not know how much it will cost to bring that product onshore. Yet we know that by spending funds on heavy oil upgrading and oil sands there is no question of our being self-sufficient by 1990. We do not have a hope in Hades of being self-sufficient between now and the year 2000, and from the year 2000 on we will be on a downward scale.

If the cash flow had been left in the oil companies, they could have built megaprojects without grants, without assistance from the Government, without the Government telling them where to do it. They could have done it on their own. This has been unsuccessful and is unacceptable to my Party. We have fought it. We have been against it and will continue to be against it.

They did some good things in the Bill, but again it is too little, too late. They gave a \$250,000 corporate tax credit to small Canadian companies. The reason for that is that those companies could not have survived without it. I have talked with representatives of the oil industry. They could not have survived the period since the inception of the National Energy Program if they had not been given that incentive. It is not a great bonanza to them. It only permitted them to remain in the black as opposed to being in the red.

Another change in the Bill is the rate reduction for resource royalties. Back in 1982 we argued—and I will raise it again—