

Petroleum and Gas Revenue Tax Act

Mr. Edwards: What about the farmers?

Mr. Thacker: Madam Speaker, I want to clarify the record for my friend opposite concerning equalization payments. He knows that the Liberal six and five program was the real cut-back in transfers to the provinces. At a time when inflation was 12 per cent to 15 per cent, the former Liberal Government cut back to six and five. That was a real cut in transfer payments. What we did a year and a half or so ago was to reduce the increase in the amount being transferred from 7 per cent or 8 per cent to about 5 per cent when inflation was actually 4 per cent. The provinces are still getting much, much more than inflation would call for. As well, Manitoba received a special sweetener, a lump sum, from this Government. So I do not think he is quite correct when he says this Government has not been fair to Manitoba under the equalization program.

Mr. Blaikie: Madam Speaker, I did not have time or I would have reminded the House that the Liberals also sought to undercut federal transfer payments to the provinces. The Hon. Member and I sat on a task force together which recommended the Government not do that. It went ahead and did it anyway. In any event, at that time the Progressive Conservative Party criticized the Government of the day for tampering with those arrangements. Yet it went on, when it became the Government, to tamper with those arrangements and reduce the amount the provinces would otherwise have received had the Government not amended its fiscal arrangements.

As to the special allocation for Manitoba, that was a result of the new formula which had a particularly deleterious effect on Manitoba. It was not some special gift given to Manitoba, it was a special compensation as a result of quirks in the formula which led to a drastic lowering of the money Manitoba would have received had there not been that special measure.

• (1630)

I agree that the Hon. Member is historically correct about what the Liberals did. However, despite the Hon. Member's arguments, when the Conservatives came to power they still proceeded to break their promises that they would not unilaterally change federal-provincial arrangements.

You were not here, Madam Speaker, but I remember the Conservatives spending hours in the House criticizing the Liberal Government for acting unilaterally on federal-provincial fiscal arrangements. They reacted as if it were the most heinous sin on earth, but when they became the Government they changed the federal-provincial fiscal arrangements unilaterally.

Mr. Orlikow: Madam Speaker, I want to direct a question to my colleague, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie). I am sorry the Hon. Member for Edmonton South (Mr. Edwards) is not here but I see several Conservative Alberta Members in the House.

I want to return to whether or not the Government fulfilled its so-called promises. Will the Hon. Member remind the House of the attacks the Conservatives made on the energy policies of the Liberal Government when they were in opposition? They attacked the National Energy Program and said that by eliminating the National Energy Program and getting rid of all the regulations to let the market operate, everything would be fine.

The Member for Vancouver Centre (Miss Carney) who was Minister of Energy, Mines and Resources, said that a Conservative Government would create 200,000 jobs in the energy sector, most of them in Alberta. We have seen the opposite, with the loss of 50,000 jobs. Let us get some facts on the record.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) on a short answer.

Mr. Blaikie: Madam Speaker, of course one could say much about this, but the fact is that there is a great irony in what is happening in western Canada. The Conservatives always argued to let the market-place determine the future of the energy sector and that everything would come up roses if only the Liberal Government did not get involved in that sector. The fact is that the more the market-place has been allowed to operate, the worse the situation in Alberta has become.

I acknowledge that the situation could improve some day. However, during the debate on the National Energy Program, Progressive Conservative Members from that province predicted that all would be well again if we simply let the market-place take its course. Everything is not well again.

[Translation]

Mr. Guy St. Julien (Abitibi): Madam Speaker, the petroleum and gas revenue tax will probably be remembered by Canadians as one of the worst tax measures ever implemented by a Government. I say this first of all, because the tax was based on corporate revenue, not profits, so there was no connection with the actual ability to pay. Second, it came on top of the whole existing tax structure. Third, it was an important element of the Liberal Government's new energy policy which cost this country so many jobs and so much investment. Fourth, it was the very symbol of confrontation politics as practised by the previous Government in its dealings with the provinces.

Why is a Member from Northern Quebec speaking to this issue today? There are companies doing exploration work in the northwestern part of my riding, and those companies are creating jobs. That is why I rise to speak to a Bill that marks the end of an era of Government intervention in the business of oil companies, the end of a period during which Western Canada has felt alienated by federal policies.