

Taxation

When I think of the Petroleum Monitoring Agency I think of the Minister of National Health and Welfare (Miss Bégin) telling the House today about the things that she is going to do. She knows that she holds a club over the provinces; she knows that she is going to require more and is going to give less. She is using the club to try to gain a kind of centralized control and influence that would be a detriment to all concerned.

Through its control of energy development and its control of our magnificent resources, the government has got us into the mess we are in today. Responsibility for that cannot be laid on the oil companies or on the United States. The government must take responsibility because it is supposed to have been in charge, but it would have us believe that the fault lies elsewhere.

The Minister of Energy, Mines and Resources has said that the oil companies are not concerned about the monitoring aspects of the National Energy Program. How many companies would invest in research and development in a highly technical area knowing that all their work could be monitored by the minister who has access to all financial and production figures and is also in charge of Petro-Canada number one, number two or number three or, as we learned in committee this morning, possibly Petro-Dome or some other company? It is clear from the energy legislation that the Government of Canada—the minister—acting without a Crown corporation, can buy shares in Canadian or foreign companies. That would increase public ownership in the energy field. It will be interesting to see what happens with Dome and some of the other Canadian energy producing companies.

The minister has discretionary powers and has access to the details of every operation in Canada. This information, which is important for the vitality and development of individual companies, can be passed along. Does the government really expect that capital will continue to come into the country under those conditions, when Petro-Canada will know what other companies are doing? I do not think the industry will have confidence in the country when this kind of influence is present.

A great deal has been said about the effect of taxes and foreign investment in the energy industry and that this accounts for some of the difficulties we are experiencing. When the National Energy Program was introduced there was a massive outflow of capital from the country because investors lost confidence in the government. When investors saw the retroactive, confiscatory and control aspects of the program they took their money out of Canada and indeed, they continue to do so because they have no confidence in the country.

That draw on our capital has been one of the single most important factors in the high interest rate policy that is in effect today. In order to attract foreign capital, a high interest rate is necessary. An hon. member opposite shakes his head in a negative manner. I can only say that if he knew what the answer is, perhaps we would not be in the mess that we are in today. It is pretty clear that his caucus does not have the answer either because the government's policies just are not

working. If the hon. member does not know that the business community cannot accept the present interest rates and that the major part of the problem is that there is no confidence in the country and that capital is leaving, then I fear for our future; because the hon. member should have access to some information and should be able to influence policies.

Because of the National Energy Program we have high interest rates, a loss of employment and high inflation. What are we going to do with the \$5 billion or \$6 billion in taxes that we will receive in one year? What will we do with those tax dollars? That is the question Canadians should ask themselves. They might be paying 60 cents or 70 cents in federal taxes on a gallon of gasoline, or 40 cents on diesel fuel. What is happening to that money now? That is the other side of the coin.

• (1600)

The government is spending \$250 million a year on advocacy advertising to sell programs which are unacceptable unless they can be put out in a public relations way to try and make them look good. Canadians know what the problems are, they feel them individually. The government may not, it may be too insulated and unable to understand, which is unfortunate. The government is not going to spend any more money on health care; it has already told us that. The minister has already said there will not be an increase through the established programs funding to the provinces. She wants more control but is certainly not prepared to transfer more money to the provinces. The money is not going there; it is not going into tax credits in order to relieve the burden on low and fixed-income people or to those 1,250,000 people who cannot get a job. The money is not being used to develop our energy resources. So what are they doing with it?

I am sure, Mr. Speaker, that members opposite will point proudly to this 7 per cent reduction in petroleum requirements. I will give the government credit; the oil conversion program is a good one which should be expanded and made to work better.

Mr. Speaker, one out of five is not a very good record but I guess the government has to find some comfort somewhere. The government fought an election on the basis that price should not be used as a technique to conserve energy. The government says the real results have been through the conservation program, CHIP and other programs, which have resulted in the 7 per cent reduction in energy use. I think that should be challenged by any thinking Canadian. It is the economic downturn and the increase in the price of energy which have created this reduced requirement for petroleum. It is good that demand is down because we certainly are not doing very much to achieve self-sufficiency. However, in looking at these various programs I think we owe it to Canadians to look also at the taxation system and what it has done to them in relation to inflation and higher costs. They should ask themselves whether the system is well managed, whether the taxes are achieving the goals we want for Canada, and whether this government is on the right track. I suggest not.