

Supply

I am flabbergasted that the New Democratic Party would have the gall to introduce this resolution after it created most of the problems. The New Democratic Party Policy is to stop oil exportation to the United States. The industry is sick because of the collapse of the price of oil, yet the NDP would cut off its life blood by preventing the sale of oil to the Americans, thereby greatly reducing the cash flow.

Let us consider the impact of the NDP policy not to sell gas to the Americans. There will be no cash flow, no jobs, no drilling and more unemployment. I do not understand their logic.

I want to talk for a moment about the Dome-Amoco merger. The New Democratic Party suggests that the Government should take steps toward Canadianization. There was a Canadian offer, but the NDP forgot to mention that such an offer would cost the taxpayers of Canada in excess of \$600 million, an enormous expense to every man, woman and child in Canada. Furthermore, they forgot to tell us that the Canadian offer would consider the Dome Petroleum debt to the Government of Canada as an unsecured credit. This means the Government would receive 30 cents on the dollar for a \$180 million loan, costing us another \$120 million. They also forgot to tell us that the Canadian bid is 25 per cent sponsored by a foreign national oil company.

If we were to follow the New Democratic Party policy to assist Dome stay Canadian by absorbing \$600 million of taxpayers' money and forgiving a debt of some \$120 million, we would be assisting the Canadian banks. In other words, the socialists will help bail out the Canadian banks that they also want to nationalize. First, they will make the banks wealthy through this deal. Their policies do not make sense.

Let me summarize what the Government has done. We established a free market-place for oil and are working on the same initiative for gas. We need not be second-class citizens because we can sell our products at the same market demand price as any other commodity from Canada.

We acted on the petroleum gas and revenue tax by modifying it within three months after the collapse of oil prices and by removing it entirely within nine months. We came to the assistance of the smallest producers by applying this measure retroactively. We introduced a \$350 million program to create jobs. We helped the small companies in that sector in order to get the rigs working, so that the well-known analyst to whom I referred expects full utilization by the fourth quarter of this year. That is the proof that our measures are working.

We also signed the Atlantic Accord, bringing Newfoundland and Nova Scotia on side.

I am proud of our record and of being able to play a minor part in working toward these goals. We realize there have been tough times, but we recognized the problems, consulted with the industry and the provinces, and found solutions jointly. I am pleased that we can now see some results and that even better results will appear in the days to come.

Mr. MacLellan: Mr. Speaker, the Hon. Member for Calgary North (Mr. Gagnon) talks about the man who was hit by the truck, recovering in hospital, then dying of pneumonia. The reason he died of pneumonia is that the Tory Government opened the windows and took away all his blankets.

The Government has pulled the bottom out of the energy sector and is trying to blame it on the National Energy Program. It is using the NEP as an excuse for doing nothing.

One of the few steps the Government took was to deregulate natural gas last fall. I suggest that the Hon. Member ask the producers about the benefits they are receiving from the deregulation of natural gas. He will discover that they are being forced to sell their natural gas for less than their production costs, that some of them must work for the banks, and others who are selling their product at a very low price in order to pay the banks are hurting those viable operations. They are doing away with the adjacent border price, which is only helping the Americans.

Will the Hon. Member tell us how deregulation of natural gas will help those producers who are selling their natural gas for well under what it costs them to produce it?

Mr. Gagnon: Mr. Speaker, the Member for Cape Breton—The Sydneys amazes me. Essentially, four things affected the natural gas industry. It began in 1973 when the price was frozen and the industry and the provinces, as well as the people, were deprived of \$56 billion in income. Second, the National Energy Program was implemented in 1980 and the petroleum and gas revenue tax alone took \$10.5 billion from the industry.

The Member represents a Party that was in government when the prime interest rate soared to 23.75 per cent in 1982.

Finally, just as the industry was getting back on its feet as a result of some positive initiatives by our Government, there was a collapse in the oil price. It was the 18-wheeler, driven by the socialists, that ran us over, and they have the audacity to say that somebody left the window open! The Liberals said the price of oil was supposed to be \$77 a barrel, but they made a slight miscalculation. It is only \$24, less than a third of their prediction.

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I did not see them in 1982, 1983 and 1984 taking the PGRT, the incremental oil revenue tax, and the petroleum compensation charge and all the alphabet soup of charges off when the price did not go up to the level it was supposed to. Yes, we have some tough times ahead of us, but we are opening up new markets. We are learning new skills. We have a skill called "selling". We are moving gas into the California market which has not been touched. We are moving gas into the mid-western market, the Chicago, Milwaukee area, which we have never serviced before. We are breaking in new areas and competing.