

Mr. Ian Waddell (Port Moody—Coquitlam): I have two questions I want to ask the hon. member. I made reference to the Little Egypt Bump. I might say to the hon. member that that is the first time I have heard it explained so clearly. He obviously has a lot of experience in this field.

I am not making an apology for this government because you just cannot make an apology for the way it has run the economy. I remember when I was energy critic of my party, the NDP, getting in evidence that the Liberal government of the day spent \$13 billion, and these were dollars in the early 1980s, on petroleum incentive program grants, PIP grants, to oil companies. I personally think this is one of the reasons why we have a huge deficit today. Is it not in fact the Liberal government, which ran Canada most of my lifetime, that is really responsible for the big debt that we have federally in this country? Is it really not a hangover from mismanagement by Liberal governments? Did those same Liberal governments not really fashion the modern tax law with all those loopholes, including the research grant scandal, research write-offs, the Little Egypt Bump and those kinds of provisions of our tax law?

Further to that, he will recall these Liberal civil servants, people like Mickey Cohen, who fashioned the National Energy Program and who were wheeling and dealing with Petro-Canada when they took over Petro-Canada and never really revealed, in spite of the Auditor General trying to get that information, what went on. These people just moved right out into the private sector, work for the Reichmanns and then take advantage of some of their own laws that they made when they worked for the Liberal government, ripping off the taxpayers in that way.

The taxpayer gets screwed, it seems to me, by the laws of the former Liberal government and some of the people who were involved with them, who, as soon as they go into the private sector, rip off the ordinary Canadian who must pay taxes.

Mr. Baker: Here the hon. member goes again, the NDP. He said: "They made their own laws. Mickey Cohen made the law," he said.

It was not Mickey Cohen who made the law, it was the government that made that decision. It was the cabinet that made that decision.

Government Orders

Granted the hon. member can say: "Well, he was the deputy minister at the time". He was the hired help. He was the one who had them pass judgment on the recommendations set up by the department. That is true. The hon. member is correct. But Mickey Cohen did not make the law. That recommendation concerning, as he put it, the Reichmann empire at the time was made by the Government of Canada, this Government of Canada right here.

The hon. member said: "The Liberals are at fault. They are the ones that drove up the deficit through PIP grants". The PIP grants were for oil development in Canada—in Canada.

What did the Tories do when they got in? They wiped out the PIP grants and the hon. member from the NDP was in agreement with it. They wiped them out for oil development in Canada and they propped up oil development in foreign nations.

An hon. member: Our security of supply.

Mr. Baker: The hon. member here will not criticize the Government of Canada encouraging expenditures in Siberia or Burma by Petro-Canada and the total tax write-off.

If the hon. member went back and really looked at the tax law that he referred to, far down on the corporate tax return it says "foreign exploration and development, oil and gas". A company is allowed to deduct 10 per cent a year until its total funds that it spent are recovered.

Well, I tell the hon. member that there were two amendments made to that provision in the Income Tax Act. They were made by this Government of Canada solidifying and enforcing a 100 per cent write-off for oil developments in foreign countries, while they turned around on the advice of the NDP and cut off the grants for oil companies exploring and developing oil in Canada. That is the truth of the matter.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I am happy to have an opportunity to speak on this Bill C-56, the control of government expenditures.

As many members have said previously and also as our finance critic, the hon. member for Windsor West has stated so clearly, this bill is cosmetic. It is smoke and mirrors.