

Petroleum and Gas Revenue Tax Act

For those who are interested in energy, this Bill contains another important item. There is a pattern forming here. In 1980, some of my colleagues and I predicted that this would happen. The National Energy Program was implemented. I will not call the policy radical, conservative or whatever. It was, however, certainly a new policy. It had a tremendous amount of impact. I know Members of the Conservative Party had criticisms of that policy and I might say that they put those criticisms very well. I see a few of the people today who were involved when they were on this side of the House. As a matter of fact, I miss them. I do not know where they are now. They had very strong criticisms about the policy. I did not agree with all of those criticisms but I congratulate them for making them. As the senior member of the Energy Committee, I feel that I am alone here on this side of the House.

A pattern developed, Mr. Speaker. The energy policy was implemented and the Government, as predicted, started retreating from that energy policy because of the pressure of the biggest and the best-financed lobby in Canada. The Consumers' Association of Canada has nothing on the Canadian Petroleum Association or IPAC, which is supposedly made up of the medium-sized companies but has some large companies indirectly involved in it. For the last three or four years, that lobby had produced these nice advertisements on television to show what nice guys the oil companies are. Anyone who knows anything and has read *The Seven Sisters* by Anthony Sampson can see the pattern created throughout the world by large oil companies in this century. In fact, large oil companies push their own interests to the extreme. If that means that Exxon in the United States wants to divert some of its oil bound for Imperial Oil of Canada to the United States because of a crisis or because it can make money, it will do it. That is fair enough under its terms.

Mr. Thacker: Mr. Speaker, I rise on a point of order. My friend knows full well that that diversion was pursuant to an international agreement whereby the western countries agreed to apportion the cut-backs equitably. It was pursuant to an international agreement.

The Acting Speaker (Mr. Paproski): I regret that that is not a point of order.

Mr. Waddell: Mr. Speaker, my friend can enter into the debate later. I suggest he read the book *The Seven Sisters*. I think he will find it very enlightening. The average Canadian feels it in his guts. He or she knows what big oil is up to. He or she knows that big oil wants to put its hand in his or her pockets and take out some more money.

This Bill indicates another interesting trend. It amends the definition of old oil so as to bring into that category some new oil as well. Let me explain it to you, Mr. Speaker. I know you understand it, but perhaps some of the Members do not.

What is new oil and old oil? Is all oil not the same? Let me explain. Through the National Energy Program, the Government decided as a matter of national policy that Canadians should pay less than the world price for what was considered

an essentially Canadian resource. Some Members disagreed with that. Members of the Conservative Party in particular disagreed with that. Members of the New Democratic Party and the Liberal Party spoke of a blended price because we were importing some of our oil and could blend it in with the Canadian-priced oil.

The Government then set a price that was lower than the world price. It decided that when new oil was discovered, world prices could be charged for that oil. That provided a way to be able to charge world prices and also recognize that discovering new oil costs more money these days. Old oil was discovered when it cost about \$1 per barrel to discover oil and it sold for \$2 a barrel. Now oil sells at \$28 American or about \$38 Canadian a barrel. Quite rightly, the Government realized that it could not give a big windfall to those oil companies that discovered oil at \$1 a barrel and were able to sell it at \$38 a barrel, so the Government then began to talk in terms of old oil and new oil and that made some sense.

Of course, the oil companies started to pressure and lobby the Government. What could the Liberal Government do? It really did not want to completely change its National Energy Program or completely change its pricing scheme to accommodate the companies but it had to find some way of accommodating them. One way the Government yielded was very simple. It just called old oil new oil. If old oil is called new oil, it can fetch a higher price. That was a very smart thing to do. This Bill, to some extent, extends the concept of allowing old oil to be called new oil. It is just a horse of a different name and more money can be given to the oil companies.

The name of the game of this Government is to take money from the consumers of Canada and give it to the oil companies of Canada. We should make that very clear. You heard the Minister's speech, Mr. Speaker. She virtually said the same thing when she spoke. I would remind her that she has to pay a price. The consumers will have to pay a price and the Government will not have as much money. Then, if the Government wants to tackle its deficit, it will have to start cutting back on baby bonuses, pensions and the things that help ordinary middle-class Canadians. The Government may have 211 Members now. However, if it continues that policy, it may receive a few votes from oil company presidents, but the great majority of the Canadian public will not vote for it.

There is another problem with this Bill, and I want to talk a little bit about that. When this tax is reduced from 12 per cent to 11 per cent, will any of the benefits pass on to the consumers? The answer is no, it will not. I cannot see anywhere in this Bill that indicates that consumers are going to receive any benefit at all. The Minister has argued that jobs are created if we expand the industry. Of course, there are some jobs created when the oil industry is expanded. The oil industry must be treated fairly like all industries in Canada. I say to the Government that it should not believe that it will create 300,000 or 500,000 jobs if it just gives the Canadian Petroleum Association everything it wants. That is the line that is being peddled and that is the line that is being bought by the present Minister of Energy.