

National Energy Program

vehicles and to supply energy to their operations. There is nothing in the package tonight to help the Canadian consumer.

I just returned from my riding today. I had an open house in my office in the east end of Vancouver. People came to see me. They came with their hydro bills and told me they are going up. They came in with their heating bills and told me that they were going up. Some told me that their pensions are increased by 8 per cent or so but that their energy costs have gone up 30 per cent. There is nothing in this package to help.

What does the government do? Does it give some money to old people? Does it give some money to people on fixed incomes? No, it gives money to Imperial Oil and the rest of the industry. It gives the industry \$2 billion. This is an industry which was one of the richest in Canada.

Mr. Benjamin: Still is.

Mr. Nystrom: Joe Clark's friends.

Mr. Waddell: My friends to the right ask for free enterprise. Is free enterprise giving \$6.5 billion in PIP grants to this industry? Is free enterprise bailing out Dome Petroleum? Is free enterprise giving super-depletion allowances and further grants? Is that free enterprise? If it is, I would like a little bit of that free enterprise to be given to some of the people who come into my office.

Some hon. Members: Hear, hear!

Mr. Waddell: In 1979, the Canadian taxpayers put up 61.7 cents of every dollar of oil company profits. The oil companies in this country have \$4.3 billion in deferred taxation revenue. Under PIP some companies will get 93 cents of every dollar spent from the taxpayers of Canada.

My party is not against the small Canadian oil industry. Part of the problem of the National Energy Program is that it has backfired. What has happened is that companies like Imperial Oil, Gulf and Shell, because they have downstream refinery operations and marketing operations, could weather the heavier taxes. Smaller Canadian companies, in the upstream were suffering, so it is partly right that the minister should change the PGRT with respect to small companies. However, the \$250,000 minimum amount and which companies will not have to pay the PGRT are not defined. This applies to all companies. It should be better directed and there should be a performance test as to what is done with the money.

I noticed the minister's style and tone tonight. I know when you are in retreat you have to make a defence. The minister is a good lawyer, and he knows that the best defence is a good offence, so he projects a confident style. However, let us look at the National Energy Program and leave aside all the rhetoric about how it is socialist, which it is not. Let us look at it from a practical point of view.

● (2130)

One of the bases of the National Energy Program was that world energy prices were going up. This is hindsight. The Department of Energy, Mines and Resources should have

known last September, as most other competent analysts in the world knew, that there was going to be a glut of oil. I see the minister laugh but I think his department should have known that. This program was based on oil prices continuing to go up, but instead prices have fallen. There has been conservation in Canada and that is a good thing, but I would remind the minister that he is cutting out \$23 million for municipalities for energy conservation and, on the other hand, is giving \$2 billion to the oil companies. We could have a lot more conservation if we put some of that money into the effort.

The real problem is that there is a recession in this country. That is why energy conservation will come about. I hate to say that that is part of the reason, but we have had a recession. The problem with the National Energy Program is that the planners in the department looked at the oil industry and thought that it was making tremendous profits. It is different from our manufacturing industries which had to go to the banks to borrow money when they wanted to expand. The oil industry just had to take the money out of cash flow. Any time they were challenged, as the government challenged them in the early 1970s, they just lobbied and had the program changed. History is repeating itself tonight. They had a big cash flow so they explored and found mainly natural gas and some oil. There was tremendous pressure to export that natural gas.

The minister and his department came along with the National Energy Program and started taxing the industry—until the minister retreated tonight. Then the industry found that, like other industries, it had to go to the banks. It spent a lot of money for borrowing and taking over private Canadian companies as the minister encouraged it to do, but suddenly we had recession and high interest rates, and it found it was hung out to dry. That is why the industry is in trouble now.

If the minister really wanted to help the industry he would not go back and give it \$2 billion. He would look over to his colleague, the Minister of Finance (Mr. MacEachen), and ask him to lower interest rates. That would help the industry, and that is the way to do it.

[Translation]

I wonder why the Government of Canada, at a time like this, has decided to hand \$2 billion over to the big oil companies in Canada. The government does not have the money to spend on health services or education or unemployed workers in this country, so I fail to understand, Madam Speaker, how the Government of Canada is able to find \$2 billion to help these big companies which are very, very well off, and why—

Mr. Baker (Nepean-Carleton): Shame!

Mr. Waddell: —the Government of Canada does not have the money to help the poor people in this country.

[English]

I wanted to mention that the announcement tonight encourages further gas exports. I just returned from Calgary, and I would point out to the minister that there are other ways of doing this. We do not have to export all our cheap natural gas