

Supply

program. I am tired of hearing Conservative Members during Question Period and at other times saying that we supported it. We voted against that program more than did the Conservatives; it was a broad program and it had many parts.

I should like to give the House a couple of reasons for not liking the NEP. I thought it was taking the exploration and action out of the western sedimentary basin and putting it in the Canada Lands. The Trudeau Government wanted to control the Canada Lands. It was a power play with the Government of Alberta. The national Government controlled the North and the offshore. Only the Liberals could invent a program in which 80 per cent was given in PIP grants and there was a 25 per cent back-in. I understand oil companies want to drill for oil. They do not want to fill out forms. That is part of the bureaucracy and is one of the problems in the National Energy Program. The NEP was effective in that it emphasized Canadianization as a goal and worked toward it. Also it was effective in that it emphasized conservation. Those two notions have been abandoned by this Government—Canadianization and conservation. This Government has a bad record on conservation and no record on Canadianization. We have to be fair when we deal with the NEP.

Also I point out to Hon. Members from Alberta that Premier Lougheed had a glass of champagne with Prime Minister Trudeau to celebrate the Accord of 1981. The NDP did not sign that Accord. I would tell that to the editors of *The Calgary Herald* if they were listening. That Accord went sour, basically because world prices went down instead of up. It was a gamble and it did not pay off.

I should like to repeat the motion before us today. It reads:

That this House condemns the Government for its failure to create the jobs required to substantially reduce the excessively high levels of unemployment, either through its general economic policies or through its recently announced energy agreement, the job creation potential of which has made the Ontario Deputy Minister of Energy skeptical to the point where he has said that, in signing it, the Government "gave away the store".

The phrase "gave away the store" sounds familiar. It was my phrase. I used it in the House on March 28. I still believe it. I think the Government was a patsy for the industry. It literally gave away something like \$2.5 billion. Today I asked the Minister of Finance where he will find that revenue. I think it will be taken out of further taxes. We will have to wait until the Budget comes down to find out. I think the consumer will be hosed in that particular Budget.

Another point which we have to note with respect to the deficit and the windfall for oil companies is the fact that there is a double standard. As a result of the November 8 economic statement, we had a cut-back on environmental matters. We had to cut back the entire alternative energy division, the high-tech division of the National Research Council. We had to cut back on national parks, the wildlife service, the arts, all in the name of the deficit. We even had to cut back the 500 bucks that the average person gets to help insulate his house or the 800 bucks to convert his furnace from oil to another energy source. Why? Because of the deficit.

● (1650)

When it comes to the Western Accord, what happens? We can give the money to the oil companies with no strings attached. This is what the Minister of Finance was telling us this afternoon. He said he met with them and told them that we would need a better performance than that in the old days when they only invested 68 per cent of their cash flow. He said they have to reinvest, but there is nothing to require that. I think this was well put in an article by Jeffrey Simpson in today's *The Globe and Mail*. He said this:

The theory presumes that the \$1.3 billion in foregone taxes will be translated into reinvestment in exploration, drilling and ultimately job creation.

He then asks what will require the companies to do that. They have not done that in the past. What is to require them to do it in the present?

I want to give some idea of the windfall that we are talking about. Let me explain it very briefly so that people can understand. Old oil, that is oil found before 1974, was found at a cost of about \$3 a barrel. It is moving up. It is now about \$26 or \$28 a barrel. It is moving up to the world price. The holders of that oil will make a windfall profit. They won the "Lotto". The holders of new oil, which is oil found after 1974, which is a little bit above world price, will come down to the world price. The holders of new oil will lose some money.

Who holds the old oil? Who won "Lotto Carney"? Gulf, with 73 per cent old oil and 27 per cent new oil, will have a windfall of \$59.8 million. Imperial, with 62 per cent old oil and 38 per cent new oil, will have a windfall of \$50.9 million. Shell has 88 per cent old oil and 12 per cent new oil. It will have a windfall of \$43.7 million. Taxaco is the big winner. With 75 per cent old oil and 25 per cent new oil, it will have a windfall of about \$76.8 million.

If you are going to have a rational energy policy and you are going to reward someone in the oil patch, the last company you would award would be Texaco. It is a large American multinational company with a very conservative record of reinvesting its profits. It is the most conservative company in the oil patch. Why give it the biggest benefit? That does not make sense.

I see a Member from Quebec. I do not know whether he was present at the energy committee. The Canadian Federation of Independent Petroleum Marketers, a very admirable group of small Canadian oil companies in the downstream, said that it got 15 per cent of the share of the downstream. That is the marketing, the selling, the gas stations and so on. I quote the following from its brief:

Independents are generally cost efficient and provide the only true, effective competition in the market-place.

I say to the Conservative Members opposite that they should insist, as a corollary to this Western Accord, that the Government enter into a profit competition policy. You cannot give \$75 million to Texaco and let it continue with its sort of restraint on competition that we have in the downstream market. If you want to have a free market, let's have a free