

*Petroleum Incentives Program Act*

of supply because it is clandestinely working against what it said it would do.

We heard yesterday that the Premier of Alberta telephoned Sheik Yamani to voluntarily put a limit on production in Alberta. What the Government is doing is exactly the same thing, but through different means. It is placing a limit on production in the country as a result of its policies and the way it is implementing them. It gives policies on the one hand, and on the other it takes them back; through the back door by regulations which are to be used and retroactively applied.

We are in a very vulnerable position in Canada because our conventional supply of crude oil will last only a few more years. Unless the Government recognizes that, and unless it is prepared to take a stand, then the country's future supply of oil will run out very soon. I believe today is the day the Minister of Finance said he would hold meetings regarding the Husky upgrader. This is an important project in Western Canada. It would provide a means to develop synthetic oil which can be refined and used in the same way as we use conventional crude at the present time. It is vital that the Government agree to go ahead with the original commitment of the former Government to provide the loan guarantee of \$780 million and the \$50 million in grants in order to help this program.

It is not the industry we are seeing backing down in terms of development and exploration. What we are seeing is the Government backing out of the commitment to the exploration and development sectors. It is the Government which has weak knees in terms of planning for the future in order to provide what the Minister of Energy, Mines and Resources (Miss Carney) has called the engine for growth. Well, the wheels have fallen off that engine. How have they fallen off? Not as result of the falling price of oil and not as a result of the industry backing away. They have done so as a result of the Government backing away from its commitments. Where is the policy now? There is just so much contradiction. Not only is there contradiction in terms of policy but there is contradiction in terms of dealing with the industry. This creates what I think is most damaging of all, uncertainty. No one in the country knows where the Government is going, least of all the Government.

What is this doing? There is a range war out there in the energy sector. What we see is vigilante law in the energy sector because the Government is afraid to make a call or send a telegram asking for prices to come down. It is afraid it will be accused of scrapping deregulation. It is saying, in effect: "Goods heavens, don't let us be perceived as having said anything to the industry". I cannot call the President of Petro-Canada and tell him that he must pay a fair price to Canadian producers. I cannot tell him to give Canadian retailers the same wholesale price he is allowing American retailers. Right now the wholesale price from Petro-Canada to American retailers is seven cents a litre less than it is to retailers in Canada.

This is our rapidly depleting resource which the Government is selling. There is nothing wrong with that. It is important

that Canada carry on in this regard. However, we have to replenish what is there. We have to plan for the future. The Government is not doing that. Not only is it not doing that, it is allowing the product to be sold to American retailers more cheaply than to retailers in Canada. The Government is allowing the consumer to be gouged at the pumps. The Government is allowing Petro-Canada to pay producers in western Canada the lowest price in the world for crude oil. It was paying the west Texas intermediate posted price up until January of 1986; but then in January of 1986 The west Texas intermediate posted price became higher than the west Texas intermediate spot price. Instead of sticking with the posted price, Petro-Canada offered producers the spot price, which is the lowest price in the world for crude oil. So at a time when small and medium-sized Canadian companies are going bankrupt laying off employees the Crown corporation is gouging them with the lowest price possible. This is reprehensible. It is not what we want.

Why is it happening? Because the Government wants the Canadian people to hate Petro-Canada so much that there will be no flack whatsoever when it is offered to the private sector in a share issue. It wants Petro-Canada to make as much profit as it possibly can so that these shares will be as valuable to wealthy Canadians as they possibly can be, regardless of the fact that Canadians already own the corporation. What will happen is that Canadians will have to pay a third time for Petro-Canada. First, they will have to do it through the takeover of corporations of which Petro-Canada is now formed. Second, they are paying inflated prices at the pump. Third, there will be a share issue which will have Canadians, or ones who can afford it, buying the company which they not only own but which all Canadians own.

I would like to ask the House and the Government to reconsider this Bill and the damage it will cause if it becomes law.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Vancouver-Kingsway (Mr. Waddell) now has the floor. It is close to one o'clock. Shall I call it one o'clock?

**Mr. Waddell:** Let us call it one o'clock, Mr. Speaker.

**The Acting Speaker (Mr. Paproski):** It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

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**AFTER RECESS**

The House resumed at 2 p.m.

**The Acting Speaker (Mr. Paproski):** When the House rose at 1 p.m. the Hon. Member for Vancouver-Kingsway (Mr. Waddell) was given the floor.

**Mr. Ian Waddell (Vancouver-Kingsway):** Thank you, Mr. Speaker.