

Excise Tax Act

amendments, such as the one we have before us today. In am only disheartened that this legislation does not contain anything new.

You can understand my surprise when I read in the *Toronto Star* recently that the present Minister of Energy Mines and Resources (Mr. Chrétien) is proud of his Government's record. He is quoted as saying that the reason my Party is not talking energy policy is that we know that he is a good Minister and that his Government is doing a good job in the energy sector. In a recent speech Mr. Chrétien talked about that record with pride and compared, point by point, his views with those of Mr. Mulroney who reviewed portions of our Party's energy policies in Calgary last October. I believe many of his points deserve clarification.

Mr. Chrétien starts off his speech by saying that Mr. Mulroney treated Parliament with contempt in his Calgary speech when he likened the NEP to a hold-up at a corner gas station. I would remind Members of the House of how contemptuous of Parliament the Government was when it introduced this legislation in the form of an omnibus Bill that precipitated the historic ringing of the bells. That action eventually shut down all business in the House.

The Minister went on to say that the oil and gas industry gets approximately 52 per cent of energy revenues compared to the historic share of 46 per cent in 1978 or 41 per cent in 1979 when the Conservatives were in power. In real terms, however, the industries' net income after operational costs, interest, royalties, taxes, etc. are taken into consideration, was 12.5 per cent of gross revenue in the first six months of 1983, which has led to severe cash flow problems in the industry.

The Government also fails to point out that the government share has jumped from 7 per cent to over 24 per cent, which is an increase of 343 per cent since 1979, at a time when the industry needs the cash flow to finance badly needed investment in the industry. The truth of the matter is that the Government sees the energy sector as a cash cow, something to be milked for all it is worth to feed the evergrowing national debt.

Mr. Chrétien also took exception to Mr. Mulroney's comment that the federal Government had instructed Petro-Canada to spend billions of dollars to buy up companies. Mr. Chrétien said that he does not apologize for this and in fact says that Canadians are proud of Petro-Canada because "it's ours". I wonder if taxpayers are proud of the fact that we spent \$1.7 billion to buy Petrofina's assets, \$200 million more than its estimated worth. I wonder if they would be proud if they knew that the Auditor General's office was unable to obtain pre-acquisition and post-acquisition evaluations prepared or being prepared by Petro-Canada on that transaction. Even the Auditor General has publicly stated, and I quote from his report:

There is a serious weakness in the management of public funds when departmental and central agency officials have had no responsibility to ensure due regard to economy is demonstrated and value for money achieved.

I wonder if the Government is proud of a policy which maliciously and with intent discriminated against one region of the country, that is, western Canada.

Another point the Minister of Mines, Energy and Resources dwelt on is Mr. Mulroney's comment that since 1980 nearly half of the drilling rigs in western Canada have been idle. The Minister then pointed out that during the same period of time the number of rigs working in the United States dropped by more than half between 1981 and 1983 to 1,807—a 60 per cent drop. Again, that subject has been raised this afternoon.

What the Government fails to point out is that the picture has vastly improved in the United States. The number of rigs there has now climbed to 2,556. That represents a 56 per cent increase. In Canada, the number of rigs dropped from 385 to 280 from November, 1982, to November 1983. That is a decline of 27 per cent. No wonder the various statements made in the House by the Government on the matter of energy are so confusing.

Just to confuse us even further, the Energy Minister has commented that Mr. Mulroney does not know that there will be 51 per cent more oil wells—

The Acting Speaker (Mr. Guilbault): Order, please. I have been listening very carefully to the Hon. Member. On numerous occasions she has been using the names of Members of the House. They should be called by their ridings or their portfolio. Beauchesne is very clear on this, that if a text being quoted from is not parliamentary, it does not make the reference in the House any more parliamentary.

Miss Carney: I apologize, Mr. Speaker. It is an elementary mistake on which you will have to watch me.

Just to confuse us further, the Minister of Energy, Mines and Resources said that the Leader of the Opposition (Mr. Mulroney) does not know that there will be 51 per cent more oil wells completed in Canada in 1983 than in 1980. This looks fine on the surface until one examines the figures closely. In 1980, there were 1,017 oil wells drilled; in 1981, 740 and in 1982, 760. There was a 25 per cent drop from 1980 to 1982, and 1983 is not expected to be any better.

If the figures do climb at all it will most likely be through the efforts of provincial governments like Saskatchewan which initiated a royalty tax holiday that allows for quick pay-backs on investments. Saskatchewan, in a program started by the NDP, awarded grants of up to 75 per cent of the total drilling costs of all oil and gas wells. It paid out \$40 million to \$60 million annually for companies to drill holes, 30 per cent of which were dry.

In July, 1982, the Progressive Conservative Government introduced a new program in which wells are exempt from provincial royalties during the first to fifth years of production. It has caused a boom in the province. Province-wide, 51 rigs were operating during the first week of September, compared to 15 the year before. I do not really believe that the federal Government can take credit for this, as the Minister of State for Finance (Mr. MacLaren) has attempted to do today. One