

exercised so far. But we do have rules and we should try to observe them.

**Mr. Waddell:** Mr. Chairman, let me tell you how it is relevant. I will put it to you and I will put it to the Canadian people. In 1971 the then minister of energy was saying that we had lots of oil. He based that on industry estimates. But two years later he said that we only had 18 years' supply of oil. By that time, we had sold out most of our oil. This time the government is telling us we have lots of gas, and we are selling out all our gas. The government is bringing in a program in this bill to pay people up to \$800—which is not a bad idea—to convert from oil to gas.

**Mr. Blenkarn:** Where in the bill?

**Mr. Waddell:** It is in part of this bill. It is part of the clauses dealing with conversion.

**Mr. Blenkarn:** What clauses?

**Mr. Waddell:** If the hon. member would look at the different clauses in the bill—

**Mr. Blenkarn:** I have looked very carefully.

**Mr. Waddell:** What the government is saying is that it wants to pay people to convert to gas. What I am saying is that we had better have some cheap gas there so that when people convert, they can use it. It seems to me that makes a lot of sense. What the government is also saying is that we should aid people in insulating their homes.

The government is telling us that it is continuing with CHIP and so on. If the government really wanted to deal with this aspect, it would not say to people, "We will give you a grant up to \$800". The government would go to the provinces and tell companies such as Quebec Hydro to go to people's houses to tell them how to convert their furnaces. These people would not have to pay anything right now. They would pay a little bit over a period of time. That is what Mr. Berube, the Quebec minister of energy told them. That is what he wants to do and it seems to me to be very rational. He wants to have the program so that low or middle-income people do not have to pay out money. They could have a professional person from hydro look at their houses. There would be no rip-offs. People could be advised about what to do with their furnace. They could convert and pay so much on their hydro bill. But the government on the other side, and the Quebec members especially, want to give the money directly to the people because the government thinks it is a better political pay-off. This means we will not have the best system of converting.

If the government really wants a conversion program, why not take chunks of a city, even take the whole of Toronto, for instance, and convert it? Let us get serious about energy conservation. Let us take a whole area and insulate every house. I talked to a carpenter this weekend. He told me that this government's program is a joke. He said the new houses that are being built would be blown down if a big wind came because they are so poorly built. What we have to do is to

### *Income Tax Act*

make really tough changes in building codes. We must make sure that every house in Canada now is built properly in order to be completely energy efficient. This program only goes a little way toward that goal. Really, it is nothing.

Drilling expenses are difficult to explain when one looks at this bill. There are clauses and clauses of income tax deductions. You would need a Philadelphia lawyer to explain them to people. But the Canadian people should keep the following in mind: for drilling in the north this government has given, out of a dollar invested, 93 cents. The government is going to give grants to Canadian companies. I have demonstrated through speeches in the House how Imperial Oil can practically call itself a Canadian company even though it is 70 per cent foreign-owned, provided that it becomes a member of a consortium with Petro-Canada. If a company has 70 per cent control of the consortium, it is classed as Canadian owned. It is a sham like much of the National Energy Program. It is rhetoric and it is a sham.

When the Canadian people consider that 93 cents in every dollar is paid by the Canadian government and only 7 cents is paid by investors, one wonders. Why do we not pay the extra 7 per cent and take control of the drilling? I do not know how the government will deal with this. I pose the following question to the minister: how will the minister propose to help northern drilling when the industry is on strike? I have quotes from a number of sources which say, "We are not going to drill in the north unless you change the National Energy Program." Under the provisions of this bill companies will receive traditional depletion allowances.

● (2050)

How do I explain to my constituents that a company like Dome Petroleum, that great Canadian company, is actually only 37 per cent Canadian-owned because it has sold most of its stock to the Americans, and that in spite of those hundreds of millions of dollars Dome received from that government over there, it does not pay any income tax? Go to your constituents outside and say that we pay an average of \$1,500 in income tax but Dome does not pay anything, yet makes millions and millions and under the new government program, has depreciation allowances amounting to 93 cents out of every dollar! This government is going to face that situation. It is giving these people everything in order to drill and to encourage the private sector. Robbie Burns said:

Oh wad some power the giftie gie us  
to see oursels as others see us!

I wish others could see Canada in the sense of giving away so much money. In spite of giving 93 cents on every dollar to the industry, the industry is on strike and refuses to build.

I want to ask the Minister of Finance before I sit down what he proposes to do if, in spite of these generous tax allowances in this bill, in spite of the fantastic allowances he gives them, the companies, as they have said, will not drill in the north because they are not satisfied with the National Energy Program? Who is going to drill to find that oil, given that the Minister of Energy, Mines and Resources has said that for 60