

Petroleum and Gas Revenue Tax Act

I have spoken to men and women who were 50 years of age and had gone into the oil industry at the age of 18 or 19. These people usually started out working for multinationals and then hived off by creating their own Canadian corporations. They built them up until they were worth \$500,000 or \$1 million and then they lost everything. The hatred that was directed toward central Canada is something I hope we will never experience again. The fires of separatism were fanned dramatically by this action. I can remember walking out of this House on occasion thinking that I should go home and devote the rest of my life to separatism. I felt that way because the actions of the Government were wrong. They were unfair. The only thing that kept a great number of us from doing that was the fact that a letter would be received from someone in Ontario, Atlantic Canada, or Quebec, saying that they agree it is unfair and will put pressure on our Members of Parliament. They did. That is why the Liberal Party was voted out of power as much as anything else. The people realized that it was truly an unfair attack.

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I hope the Members of the House will get on side. The solution is simply an elected Senate which is weighted to the regions of this country. In this lower House represented by population it will be dominated by Ontario and Quebec because that is where the population is. That is a principle for which many of our ancestors fought and died. We need to have a balance to that, and that can be in the upper House. It should be weighted to the provinces; it should be elected, therefore, they are responsible. One of the deepest hurts I personally experienced was in watching the Alberta Senators appointed by the Liberal Prime Minister vote for the National Energy Program. It was an actual attack on their own region. That hurtful action which caused a great deal of pain to many people.

The National Energy Program was a whole new economic policy *vis-à-vis* energy. Before the National Energy Program the companies drilled for oil where their seismic and geological experts told them they would find oil. Under the tax system if they found oil and had revenue they would be able to deduct the cost of searching for that oil from whatever profits they had. Therefore, you drilled where you thought there would be oil, depending on your experts. After the National Energy Program it did not matter where oil might be found. You drilled based on a region of the country chosen by bureaucrats in Ottawa, and based on Canadian ownership. People literally drilled wells in regions where they knew there was no oil because of the way it was structured. It will always be that way when you take power and have people sitting in Ottawa trying to comprehend an industry. They were actually getting more than the cost of the well, because they could set up subsidiary corporations and have them supply goods and services. They would end up making 130 per cent or 140 per cent for drilling a well. They were not drilling for oil at all, they were drilling for the Government PIP grant, the Petroleum Incentives Program.

It also was centralization of ownership. Another branch was Petro-Canada. Petro-Canada could not make it in the oil industry and the Government had to ensure that it did make it, so year after year the taxpayers had to pump \$400 million and \$500 million into Petro-Canada. It spent it all around the world, but that was not enough, so the Government had to come back and give it a back-in. We had to give Petro-Canada the right to expropriate 25 per cent of the oil and gas that had been found by Canadian corporations. People bought shares, went out and did the work, would find oil and gas, and then Petro-Canada would come in and take 25 per cent off the top. It was an incredible program, but that is what it amounted to.

Over-all Canada was hurt by the National Energy Program. It is a tragedy that during those prior years enough money could have been built up in the provinces and the companies to see themselves through this time now when they are hurting because of a decline in world prices. Had we let them accumulate that money at that point it could be used now, rather than having to come hat in hand, down on their knees. Nobody in this country likes to come to another part of the country, get down on their knees, and beg for some help. That is not the way this country should be structured. That is why support for separatism in the West rose dramatically.

Canada does have serious problems. During that same period the Government of the day did the traditional trick of Governments, particularly socialist type Governments. It offered people all sorts of programs, kept a low tax, and built up a deficit and a national debt. Over-all Canada still is a land of opportunity, a land where millions of people want to come. Our population is educated. There is a political system that does respond. The lesson of the National Energy Program for me is that Parliament does respond, and the Canadian people do respond. They threw out the Liberal Government and put in a new Government. That is the strength of this country. We do have a stable political climate. We also have independent and ambitious people. We are tolerant and generous. We can be proud to be Canadians because the nation came through. I hope these values will be retained.

My greatest fear is that people will once again succumb to the blandishments of a Government that wants to centralize things. I always point to the NDP because they make no bones about it, they stand for a strong central Government that will take power. They say to people: "Vote for us and we will look after you". I know from my study of history, and talking to constituents, particularly those who come from the eastern European countries, that you can get sucked in by those votes. Once the Government takes over one area it has to take over another area, then another area. The laws then become more and more repressive. People lose their freedoms. That is why I hope people in Canada will retain their independence. When they have their independence they can snap their fingers at Governments. If they have \$500,000 of capital gains property they do not need to turn to the Government and be caught by that old age penchant, if they do not obey this Government then the Government will cut down their revenues. They need not come with their hats in their hands and beg to anybody. They can say "we are independent".