

Today is perhaps not the occasion for a detailed energy debate, although I would point out that in February, 1984 when the then Minister of State for Finance introduced these measures, it became the occasion for a very far-ranging debate on energy policy generally. We in this Party do not intend to delay the debate particularly, but we do want to have in the near future a very full debate on the Government's proposed changes to energy policy.

The economic statement tabled in this House by the Minister of Finance (Mr. Wilson) some time ago made reference to this change in the Petroleum and Gas Revenue Tax. He stated that while the Government would be proceeding with those changes, the Government did want a very full examination of all our energy policies. We look forward to that debate.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise as my Party's energy critic to speak on this change to the Petroleum and Gas Revenue Tax. I spoke on it the last time it was before the House. At that time the Hon. Member for Comox-Powell River (Mr. Skelly) was our energy critic. I am back in my old job and pleased to be here.

Mr. Speaker, I have not had the opportunity to congratulate you on your new suit. You look very debonair, even more debonair than usual. In fact, I prefer it to every suit I have seen you wear except for one, your football uniform with your football hat. That looked even better, not to mention other suits.

I want to say something about this Bill. I see you are smiling, Mr. Speaker. You may not be in a moment. One thing I got out of the Minister's speech was that the policy of the Conservatives was to keep energy prices low. If there is one thing that Canadians know, it is that the Conservative Party is a party of high energy prices. It does not represent the consuming public of Canada adequately. That Party continues to hose Canadians at the pumps and to hose them in their houses when paying for home heating oil.

The evidence is the Consumer Price Index issued this morning for December, 1984. The latest increase was November. It shows that food did not change from November, 1984; housing and clothing were approximately the same. The big increase was 2.9 per cent for energy. According to the Consumer Price Index, after three months of Conservative government energy prices have increased almost 3 per cent. That is consistent with the Conservatives buying the line hook, line and sinker of the big oil industries in Canada. They have taken it, swallowed it and are going to implement it. This Bill is an example of how that happens.

Let me explain a little bit about the PGRT. Coming from Alberta, I know you understand it, Mr. Speaker, but there may be some new Members who do not know about it. The PGRT is part of the National Energy Program introduced in 1980. It is part of the taxation system of the program. I know the Member knows that, but I wonder if the Member knows why the Conservatives ultimately want to get rid of the PGRT, the problems with the PGRT and other forms of taxation for

oil companies and consumers. Let me tell him something about that.

The Petroleum and Gas Revenue Tax is levelled almost right at the well. It takes the producers' gross revenues and deducts operating costs. The tax is on that amount of money. I believe this Bill reduces it from 12 to 11 per cent. It hits right in there.

The provinces do not like this. They see it not as a tax but a royalty, a grab at a portion of the oil. Western Canadian provinces believe, and I support them on this, that royalties are the prerogative of the provinces. Natural resources are the major thing the western provinces have to give us the kind of economic long-term growth that they have in Ontario and Quebec with their manufacturing industries. That is jealously guarded in the West. This is thought of as a royalty and the western provinces do not like it.

The oil companies do not like it because they have to pay tax. It is not like the old system of depletion and super depletion allowances. Under the old system, you produced the oil, subtracted your operating costs and then subtracted other costs such as old machinery, this company buying that machinery from your subsidiary, paying money or not paying money to the subsidiary that did the navigation and the drilling, and suddenly there was no money to tax. Oil companies were famous for never paying very much taxes.

In Question Period today we were debating precisely that. The Government is about to lower the boom on the middle class in Canada. There was a lot of blarney today, but the Prime Minister (Mr. Mulroney) was very weak in its defence. To be fair to the Prime Minister, it was indefensible.

The Minister of Finance (Mr. Wilson) let the cat out of the bag. The Government has decided it has to cut the deficit. The way it will do that is by cutting spending and social programs. It will do that with programs that affect the upper and middle classes. That is a little more fair, but it will have a real impact on a lot of people.

There is another way it could cut the deficit. It is relevant to this Bill. It could make some of the corporations in this country pay a decent share of taxation like ordinary Canadians must. There are about \$24 billion worth of deferred taxes owing. Can you defer your taxes, Mr. Speaker? No way. However, oil companies, banks and companies like that can defer their taxes, and of course they never pay their taxes. Therefore, the Government has a big deficit and has to deal with things like what happened in Question Period today when the Prime Minister had to defend what was virtually indefensible. He is going to bring in policies to take away some of those social programs from the middle class of Canada.

• (1230)

These 211 Conservative Members will not be cheering so loudly when their constituents start writing or phoning them and saying: "Hey, I have to pay more for my heating oil and my gasoline as a result of your policies. Now you are taking away my baby bonus or my pension supplement", or whatever. That is why this Bill is important.