

National Energy Program

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, the member who last spoke, the hon. member from Etobicoke Centre (Mr. Wilson), said "God help the industry", meaning the oil industry. I do not know if he read the same material as I read tonight. I understand that the small producer and other producers got a PGRT credit worth \$900 million. The PGRT as a tax was reduced from 12 per cent to 11 per cent, giving the industry \$200 million. The PGRT was reduced on the integrated oil sands projects, another \$125 million. The IORT, another tax, was suspended for one year, that is \$250 million. A new category was created called the old-new oil, meaning \$75 million to the industry. The NORP price to existing tertiary recovery meant \$300 million to the industry. NORP to experimental projects meant \$100 million to the industry, and NORP for suspended wells, meant \$100 million to the industry. That is a total of \$2,050 million, or \$2 billion to the industry. Well, God has helped the oil industry. God has just helped the oil industry, Madam Speaker; the oil industry have drilled for oil, and they have found it here in Ottawa.

• (2120)

Tonight the minister must feel like a Glace Bay coal miner; he has just been through a cave-in. He calls this new program the National Energy Program update. That is doublespeak if I ever have heard it. This is not an update. It is an upper for the oil companies, but it is a tragic downer for the Canadian consumer.

It is true that some small Canadian oil companies were hurting as a result of the National Energy Program and its taxes. They were hurting and needed some help, but under the program tonight Imperial Oil will enjoy—and I have counted them—six changes which will help. There will be changes in the PGRT. Imperial Oil will get help proportional to its production. It will get help with respect to Syncrude, tertiary recovery, enhanced recovery, experimental recovery and the IORT. When we ask for money for medicare in this country, the government cannot find it. When we ask for money for pensioners, the government cannot find it. When we ask for money to help the unemployed get jobs, the government cannot find it. But, boy, it finds \$2 billion for Imperial Oil and the others. That is just incredible.

Mr. Nystrom: Shame. And the Tories want more.

Mr. Waddell: Not only does the government find the money, but what this money can be used for is also positively dangerous. If we read this program carefully, we find that there is nothing in it like a performance guarantee which would say what this \$2 billion has to be used for. The money can be spent by companies abroad. It can be invested abroad. It can be used to pay debts. It can be used to take over Canadian companies. It can be used to pay dividends to American shareholders. This is an industry that is 70 per cent foreign owned, mainly American. There is nothing to protect the consumer. There is nothing to protect the taxpayer.

Last year there was a 30 per cent increase in the cost of energy to the Canadian consumer, and in the package tonight there is nothing to help the Canadian consumer.

Last September Premier Lougheed and the Prime Minister (Mr. Trudeau) made a deal. They split up the pie. The energy industry lobbied for a year and a half. Every day in the House members of the Conservative Party supported big oil. They constantly stood and asked for a better break for big oil. Tonight they got that break. Tonight they got \$2 billion, but who was there to represent the consumer? How was the interest of the consumer protected? There is nothing tonight.

The minister says we are lucky to be paying less than world prices. Since 1980 the price of a barrel of oil in Canada has gone up from \$14.75 a barrel to over \$30 a barrel. Much of that oil was found when the price of oil was low and it was cheap to explore for oil. Companies used to tell us they could develop tar sands for \$6 a barrel. Now oil costs \$30 a barrel in Canada. Some of that oil which was found between 1973 and 1980 was what was called old oil. Under the old agreement it was called old oil. Under the package tonight—and this is what really hits the Canadian consumer—there is a new category called "old new" oil. What does "old new" oil mean? "Old new" oil means the companies will get higher prices for it. There will be higher prices for oil as a result of this retreat tonight. Where will the money come from?

Mr. Taylor: Alberta.

Mr. Waddell: There will be an oil price increase of \$2.25 a barrel in July. There will be another increase of, I think, 25 cents in August. I think there will be another \$4 increase in January of 1983 and another \$4 per barrel increase in July. The government has been collecting a petroleum compensation charge, and that charge has been to make up for buying expensive offshore oil. We buy offshore oil because in the early 1970s we exported all our cheap oil. Now we have to buy offshore oil. The government was in fact making money on the petroleum compensation charge because the price of offshore oil has gone down. Prices in the world market have gone down. Instead of the Canadian government's saying to the consumer that since there is extra money, the consumer will not have to pay increases at the pumps, what does the government do tonight? It recycles the money into the "old new" category and pays the oil companies more money. The consumer is affected directly as well as indirectly. The government is forgoing \$2 billion in revenue. The minister says we are not taxing; we are just forgoing revenue. Where is the government going to get the \$2 billion? There are two ways by which the minister could get it. He could get it by increasing personal taxes, or he could get it by eliminating government programs. So, the consumer and the taxpayer suffer again tonight.

In 1980-81 the cost of heating an average home with oil in Canada was \$770, but last winter that cost rose to \$1,170. The annual cost of gasoline for the average motorist in 1980 was \$730, and in 1981 it was \$945. I do not have the statistics, but I am sure my colleagues from farm areas could tell me about the increased prices farmers have to pay to operate their