

Petro-Canada Act

In other words, taxpayers—most of us—should provide the money but a small group of private entrepreneurs should control the projects. Preferably the projects should be the megaproject type. This philosophy exactly has been adopted by the Liberal government in its plan for energy security. In some instances the government will pay 93 per cent of the exploration costs for a minority 25 per cent control in the projects. Through the new grant system, taxpayers will put over four times the amount the company does for exploration on Canada Lands but gets only one quarter of an interest in the project.

This first bill is a smokescreen likely put up by the Liberals to embarrass my friends to the right on Petro-Canada. But you have to see the whole Liberal policy. This is a little more difficult dinosaur to deal with, but a dinosaur nevertheless.

• (1750)

One has to look at this project because, quite simply, the ordinary Canadian is being doubly hosed by this scheme. Consumers in my riding are now paying 41 cents a litre, compared to 37 cents in Blaine, Washington. Under the petroleum incentives program, known as PIP, the taxpayer is going to fork out \$6.5 billion to the oil companies in the next five years. With medicare in jeopardy and student fees going up, this Liberal government has decided in its wisdom to dole out literally wheelbarrows of money to those poor oil companies. If I were the Minister of National Health and Welfare, who is now in the House, I would in fact be concerned about this kind of money going out, especially when, as I pointed out the other day, all that money may not be coming in. Some of the money for the PIP grants will have to come from general revenue, which means out of the minister's budget eventually.

It seems to me, Mr. Speaker, that Dome Petroleum has indeed struck it rich, not by drilling in the Beaufort but by drilling right here in Ottawa.

An hon. Member: They were drilling in cabinet.

Mr. Waddell: Mr. Speaker, this process of tax breaks for oil companies is not new. The Liberals have used the taxpayer and consumer in the past to finance the multinationals' expansion and takeover of our energy industry. No other industrialized country has so much of its vital energy industry foreign owned and controlled. In 1980, for example, federal tax breaks to the petroleum industry were over \$4.3 billion; income tax revenue is only \$2.1 billion. Speaking at the University of Toronto on November 12, 1980—I have to say "Toronto" correctly, Mr. Speaker, in case I am mistaken for a Torontonion—the Minister of Energy, Mines and Resources said:

It is true we have imposed new taxes on the oil industry. There have been complaints about this by the oil companies since the budget was brought down, but I can honestly say that their position was no worse in 1980 than it was in 1979, perhaps better.

It seems to me that 1982, in spite of all the yelling and screaming, will be a lot better. The netback for new oil under the October, 1980 National Energy Program was \$7.19. After the September, 1981 agreement, it went up to \$16.73. These

figures come from the minister's own department. So there is a significant netback.

The nominal corporate tax rate for the petroleum industry is supposed to be 36 per cent, Mr. Speaker. However, because of tax concessions to this wealthy industry, its effective tax rate has been only 10 per cent for the period 1974-80. Compare that to an income tax rate of 18 per cent in 1980 for a married taxpayer with two children and earned income of \$25,000. They would like to scream, too, but they do not have the power, wealth and advertising ability of the oil companies. For the period 1977-80, federal tax concessions to the resource sector were over \$13 billion; income tax collected was \$5 billion. I do not just throw out those figures; they come from the Petroleum Monitoring Agency.

The question then arises: why so many tax breaks in the past? The answer is simple, Mr. Speaker: to provide energy security, as this bill and the other seven bills are going to provide. But look at what we have. After telling us in the early 1970s that we had enough oil for 300 years, thus permitting oil exports to the United States, we now have an oil shortage and it appears we may be moving to paying more than world price for a litre of gasoline. So the question is: What are we going to get this time?

Mr. Miller: Another hosing.

Mr. Waddell: My friend says another hosing. During a wheat pool meeting in Mozart, Saskatchewan, in 1953, when the CPR argued that the Crow rate was driving them into bankruptcy, a farmer by the name of Johnny Grimson jumped to his feet calling the CPR a bunch of "hosers", and its president a "hose-head". The term "hoser" came from the old practice of sucking gas out of barrels left in the field near tractors and, of course, it applied to sucking higher freight rates out of grain bins. So things really have not changed. A practitioner of the art becomes a boggy-eyed, sort of brain-damaged hose-head or hoser. With apologies to Bob and Doug McKenzie, is this not exactly what the present Minister of Energy, Mines and Resources is doing?

Some hon. Members: Hear, hear!

Mr. Thacker: You are on the other end of his hose.

Mr. Waddell: He is sucking money out of our pockets and siphoning it off to the oil companies in the form of PIP grants. He is a hose-head because he has not learned the lessons of our recent energy history.

The new grants, Mr. Speaker, are supposed to help industry find new oil for our energy security, our future.

Mr. Lalonde: Why don't you talk about the bill?

Mr. Waddell: If the minister will wait, he will see how this fits in with his Petro-Canada bill. Jack Gallagher, the chairman of Dome Petroleum—

Mr. Dingwall: Your friend.