

Petroleum and Gas Revenue Tax Act

Mr. Waddell: It would take it to the frontiers at incredible costs. We acknowledged that there had to be some incentives to explore in the frontiers and that the program had to be a national one. We said that the PIP grants would be incredibly costly, and it turned out that they cost \$7.3 billion.

Mr. Siddon: Now he's talking the right way.

Mr. Waddell: That expenditure resulted in a limited amount of Canadianization. We objected to the PGRT because we felt that it was really a provincial royalty. Westerners understand that it is not really a federal tax but is more like a provincial royalty.

Mr. Siddon: Sounds like double-talk now.

Mr. Waddell: I invite the Hon. Member to check the record. We also said that the National Energy Program would damage co-operative federalism. I suggest that the Hon. Member read House of Commons *Debates* of May 28, 1981. At that time, the Hon. Member for Yorkton—Melville (Mr. Nystrom) made that very point. Our finance critic, Mr. Bob Rae, made the same point and said we needed to help small Canadian oil companies. We argued against the Bill when it was before the House. We said that the PGRT would hurt western Canada. Western Canada was hurt by the National Energy Program but it was also hurt by a world recession which occurred at the same time.

This is where Conservative Members are the most vulnerable. I hope they will not rise and give us this rot about the NDP supporting the National Energy Program. They should study the votes and look at the facts. We do not agree with Conservatives. Obviously we differ. At least Conservatives are not like Liberals. We know where Conservataives stand and we honestly differ with them. We share the goal of Canadianization but Conservatives believe in doing it through private companies. We believe in doing it through a mix of public and private companies and we believe in using Petro-Canada as an instrument of Government policy.

We believe in Canadianization. With \$7 billion, we could have Canadianized the industry much more quickly. In fact, we could even have bought some oil companies for \$7 billion. However, we do not believe in a completely nationalized oil industry; we believe in a mixed industry. We believe in trying to let western provinces develop the oil industry so far as they can, but there must be a national energy policy because it seems to me that Conservatives kid themselves if they believe in the free world price of oil and the free market for oil.

In committee the other day, the Minister of Energy, Mines and Resources (Mr. Masse) spoke of the free world market price for oil. The fact is that no energy analyst believes any longer that the market is not controlled. It will be controlled by a cartel like OPEC which shot the price of oil up twice in the last 15 years or, previous to that, by the multinational oil companies which controlled the price through oligopolistic practices, anti-competitive practices and control of production or by the state. In a sense, it was inevitable that the National

Energy Program should use the state to try to control one of Canada's most vital resources, namely, oil.

I predict that if it goes on for long enough, the Conservative Government will have an energy program as well. It cannot entrust the energy sector to the so-called world market. I suggest that any energy analyst worth his salt will tell Conservative Members that there is no real free market for world oil. Let us not hear the free market argument in this debate.

I would like to say a word about the deregulation of natural gas. The deregulation of gas was announced for November 1 as part of the energy accord signed by the federal Energy Minister and the Energy Ministers of the producing provinces, Saskatchewan, Alberta and British Columbia. I believe that accord was signed in July of 1985. There have been problems with deregulation of gas. There was an announcement by the Minister of Energy, Mines and Resources last week which I called short-term gain for long-term pain. I do not know where I borrowed that expression from, but I have heard it before in the House. I think it was changed a little bit.

• (1700)

An Hon. Member: Mr. Crosbie may be the culprit.

Mr. Waddell: Maybe I see the author over there. I will put my mukluks on and ask him.

Mr. Crosbie: Why don't you stuff them in your mouth.

An Hon. Member: It was the NDP.

Mr. Crosbie: The gang that couldn't shoot straight shot down my mukluks.

Mr. Waddell: He says "the gang that couldn't shoot straight". We managed to shoot down his Conservative Government all right. It didn't take long.

The problem, Mr. Speaker, is this: This deregulation of gas is supposed to be cheap gas for consumers in eastern Canada. The fact is that they are going to get some gas a little cheaper, but not \$20 off their bills, as the Canadian Press story out of Calgary stated. They will get it a little cheaper, but in the long run they are going to pay more. The reason is the Minister announced this week that he is going to get rid of the surplus test for gas. We had a 25-year surplus for gas, and now it has gone down to a 15-year surplus. The National Energy Board looked at it and changed it to a 15-year surplus. Lo and behold, the Minister is now trying to get rid of that surplus. That will mean that we will export like mad our natural gas that we now have to the American market at cheap bargain basement prices. The industry will want to do that because they need money like mad. The result will be that we will sell that gas cheap, gas which costs a dollar a thousand cubic feet to find. After we have used all that sweet, cheap gas in Alberta, we will then have to go into the foothills and into the more difficult places to get the gas. It will cost five times as much, therefore, the consumer may pay five times more. It