

Borrowing Authority

The release went on to indicate that the federal Government would co-operate closely with the provincial Governments and industry to examine appropriate measures to accelerate non-conventional oil projects. That is complete hogwash, Mr. Speaker. The Government is not co-operating with the provincial Governments. I believe in consultation. It is important to have consultation in the energy sector, as with all sectors. The Government has talked with the provinces and they have told the federal Government what they want, but the federal Government is no longer communicating with the provinces. The federal Government is backing away from its responsibility, and particularly the Minister of Energy, Mines and Resources (Mr. Masse).

• (1550)

There is a blatant disregard for the problems in western Canada. What is going to happen? What has been happening? The Government says that the market should dictate what takes place. The market should determine what exploration takes place, what development takes place and what gasoline is sold for at the pump. Let me refer first to exploration.

This Government has placed as one of its pillars of energy policy security of supply. It said that that is very important, but the Government does not say that all the time. The Prime Minister (Mr. Mulroney) says it all the time, but the Minister of Energy recently denounced security of supply and said it was not important. But this is the same Government, the same Prime Minister and the same Minister of Energy who say that the private sector will do it. The Minister of National Health and Welfare (Mr. Epp) is making too much noise. If he is not interested in what is happening in western Canada I would ask him at least to sit quietly.

Let me tell you what the private sector said this morning at the meeting of the Standing Committee on Energy, Mines and Resources. Imperial Oil was appearing, and its witness said:

Spending a lot of money to find and develop whatever undeveloped oil and gas reserves Canada might have strictly for the sake of self-sufficiency makes little sense.

That is what Imperial Oil Limited's Vice-President, Bob Peterson, said today. He went on to say:

—that ensuring Canada has a secure supply of energy won't help the country much if there is another oil crisis. Canada is more likely to be hurt by the economic impact of such a crisis on its trading partners than by the impact the crisis has on Canadian energy prices and consumption.

Who will help us develop security of supply? We are telling Canadians that there is no security of supply, that there is no policy of security of supply by the Government and the Government has abandoned its role. The private sector will not pick it up. You cannot expect the private sector to spend money at a time when oil prices are low in the interest of having some supply when oil prices are high if the industry does not know when those oil prices will be high. The industry can get a cheaper supply of oil from other sources. The bottom line is profits. There are large reserves of old oil from which companies can get quite a profit. For instance, companies will

not spend money on upgraders in western Canada which cost a great deal of money.

Where are we going? We are going nowhere because the Government does not know where it is going. It has no idea. It says the Budget is not the place for a significant policy for energy in western Canada. But that has changed now. On March 4, the Minister of Energy, Mines and Resources was in Calgary. A newspaper article reported:

Faced with growing hostility in Alberta's depressed oil patch, federal energy Minister Marcel Masse has given his support to a potential \$80 million tax break for the industry.

That is a complete change of policy. The Minister said in Alberta that he did not have the details but that the Minister of Finance would be there on Saturday, March 6 and would tell them what it is all about. The Minister of Finance visited Calgary on March 6 and had absolutely no details for the energy sector. He just told them that the Government would come out with a strategy at a later date and that people should be patient. But these are people going bankrupt and who have lost jobs. They wonder how they will look after their families, and all the Minister of Finance told them was to be patient. Even more galling was the remark of the Minister of Energy when he told reporters:

That the issue of the depletion allowances, which would cost the federal Government about \$80 million a year in lost taxes, "was not directly related" to the Budget.

Here is a tax policy granted to the mining sector which the oil and gas sector now wants but the Government is stalling. It will not make any commitment at all on earned depletion for the oil and gas industry. The Minister of Energy had the gall to say that it did not relate to the Budget. What does relate to this Government? What will make this Government concerned about the economy? What will make the Government be concerned about the problems in western Canada?

The Government is now planning to privatize Petro-Canada, the corporation which led exploration in the offshore and in areas where the private sector was not too interested in exploring and drilling. The Government, because it has a successful Crown corporation that has done what it was supposed to do, is going to get rid of it. That makes sense if you are that Government because that is what the Tory Government does. When something works it gets rid of it.

The Minister of Finance says, with respect to Petro-Canada, that it does not have any public utility role at all. The Minister of State for Privatization (Mrs. McDougall) says that she cannot think of one benefit that Petro-Canada has provided. The Minister of Energy said this morning on *Canada AM* that Petro-Canada has completed its role in exploration in Canada. Later on in the same program he said the Government wants to sell Petro-Canada because it can get more money to carry out exploration.

How in the name of heavens can you rationalize those statements? If the Government sells Petro-Canada and receives a fee, who will do the exploration? Petro-Canada will not be there to do it. A private sector corporation will have to