

The Minister says that it will be monitored. I do not know how the monitoring will take place, and I do not think it will be particularly effective. I have talked about the money that the integrated oil companies are making in the downstream and that the small producers are suffering.

I would like to read into the record an editorial published in *The Toronto Star* dated September 10, 1986. I think it is worth-while citing. It states:

No wonder Calgary oil executives clapped approvingly on Monday when federal Energy Minister Marcel Masse told them that the Petroleum and Gas Revenue Tax (PGRT) would be lifted effective Oct. 1. Masse was answering the prayers of Canada's oil giants—including multinationals such as Imperial Oil, Shell and Texaco—just when depressed international prices are pinching industry pocketbooks hard.

There can be no doubt which companies will benefit most from the Government's decision to accelerate by 28 months its plan to phase out the tax—at an estimated cost of \$1.5 billion to the federal treasury. They are the biggest oil companies, the firms that make up the Canadian Petroleum Association, which lobbied heavily for the tax break and whose members account for 90 per cent of Canada's oil production, 76 per cent of the industry's workers and 80 per cent of PGRT revenues.

Yet these recipients of Ottawa's largesse aren't necessarily the neediest oil companies. As the Senate energy committee warned recently, the most distressed producers are the smaller, mostly Canadian-owned firms, which "drill the majority of Canadian oil wells" and are "more efficient than the larger companies at finding and developing small oil pools."

We don't argue with the need for Ottawa to assist the hard-pressed West in general or the oil industry in particular. Indeed, we have editorialized in favour of such assistance. But in scrapping the PGRT, the Tories are employing a shotgun when a rifle would have been preferable. Instead of targeting federal aid through loans or grants for individual firms and frontier energy projects, the Government has chosen to grant a broad tax break that will benefit the biggest firms most.

That was an alternative. The Government could have targeted loans or grants. It could have gone to frontier energy programs and even encouraged them. The editorial continues:

And the Government has failed to obtain firm guarantees that the resulting windfall will be spent on exploration for and development of new sources of oil and natural gas. Instead, the industry is given only bland assurances that it will re-invest the tax savings properly. But what's to stop the multinationals from using the money to buy up struggling Canadian oil firms at fire-sale prices, thereby undermining the longstanding goal of Canadianization, or from making non-energy investments that won't add one barrel of oil to our dwindling reserves?

Not the Progressive Conservatives, who cling to free-market ideology when there is no free market in oil, just a market manipulated by the Saudis and their allies.

● (1650)

Hon. Members might ask what I would do about this. I believe I have already said that the answer is that we need higher prices targeted by a stabilization program that would benefit the small producers and could be paid back later on as world prices rise. I do not know how much time I have left to speak but—

Mr. Crosbie: Too long.

Mr. Waddell: Too long for the Hon. Member for St. John's West. At least he is listening to my speech. I hope he is learning something.

Petroleum and Gas Revenue Tax Act

Mr. Crosbie: I'm the only one here listening.

Mr. Waddell: We will be hearing from many Conservative Members who will talk about the National Energy Program. I can just smell it coming. They are going to talk about how the National Energy Program of the Liberal Party destroyed the Canadian West. I can almost make that speech myself.

I would like to point out a couple of things for the benefit of those Hon. Members. We are dealing with a new reality. We are dealing with now. Let us deal with the situation out West as it exists now. Second, there are many myths about the National Energy Program. One such myth is that it was not popular. In fact, it was very popular in Canada. All the polls taken showed that it was a popular program except in certain areas.

Mrs. Sparrow: Oh?

Mr. Waddell: I am sorry, the oil industry in Calgary is not Canada. It is an important part of Canada. All parts of Canada are important. However, the oil industry in Calgary does not make up the majority of Canada. We should be careful when we hear that the program was not popular. All the polls taken showed that the program was popular and that the expansion of Petro-Canada was incredibly popular and is still popular.

The second myth is that the NDP supported the Liberal Party in the creation of the National Energy Program. We did not support the Liberals.

Mr. Siddon: You're still supporting them. You're arguing for a thing of the past.

Mr. Waddell: That is a great myth. If Hon. Members want to live myths, that is fine, but it will not help us deal with today's problems. The Hon. Member should know that. He was a Member of the House at that time. I would draw his attention to the debate on Bill C-57 which was held in May of 1981. At that time, I and the Hon. Member for Etobicoke Centre (Mr. Wilson) moved the various motions necessary to delete the Petroleum and Gas Revenue Tax Act from the provisions of Bill C-57. My motion was identical to that of the Hon. Member for Etobicoke Centre. It was voted on simultaneously and was defeated by a vote of 118 for the motion to 124 votes against.

Bill C-57 itself was passed a few days later by a vote of 132 to 84. The NDP voted with the Conservatives in their unsuccessful bid to defeat the Bill.

Mr. Siddon: Why are you still speaking for Mr. Lalonde?

Mr. Waddell: Why am I still speaking for Mr. Lalonde? The fact is that we said that the NEP was flawed because it would shift exploration away from the western sedimentary basin—

Mr. Siddon: That's what we said too.