

before it got into the negotiations. In the famous red barn speech of the Prime Minister (Mr. Mulroney) in July, just before the federal election was called, he said, "We will eliminate the PGRT". So the Minister went there virtually without any ace card against a very tough negotiating team from Alberta.

The phrases in the Minister's speech, such as "The engine of economic growth" and so on, really worry me. These are the phrases we heard said by the Canadian Petroleum Association to the Energy Committee of the House of Commons in the early 1980s. I heard these phrases day in and day out from big oil companies. The Minister, a patsy for the oil industry, has bought it hook, line and sinker.

Where is the Government going to make up the lost revenue, Mr. Speaker? The Government distributes its own figures and I will quote from them. The petroleum revenue sharing in 1984 resulted in \$22 billion in revenues and \$3.8 billion was to go to the federal Government. This is the sharing of the pie. They are now giving away a substantial chunk of that revenue in the PGRT. Where is it going to be made up? There is talk of jobs being created. Yes, there are some jobs created in Alberta and Alberta needs those jobs, but I point out to you, Mr. Speaker, that the petroleum Monitoring Agency reports that for the first six months of 1984, as compared to the first six months of 1983, the oil industry profits in Canada increased by 40 per cent. That is up by \$1.7 billion for the whole industry. Capital expenditures for the same time went down by 5 per cent. Thus, with respect to the recent increase in gas prices, there is no justification for giving the industry more money. As far as the return on investment, we cannot believe that propaganda. John Halliwell, the respected B.C. economist, said in a report recently that in fact the oil industry was making 50 per cent more in return on investment than other types of Canadian industry. And the Government is buying its line. Hon. Members should read the comments of the Ontario Deputy Minister of Energy, Duncan Allen. He said in January, and I quote:

"The engine of growth (oil industry) grabs a whole lot of money from consumers in the form of a significant withdrawal of purchasing power in Ontario and has very limited offsetting effects in terms of jobs, purchasing, employment and investment—on balance, it's negative except (for) Alberta", Allen said.

In fact, he said, diverting money and resources to the petroleum industry is a poor investment in terms of job-creation. For every \$1 million invested in the petroleum industry only 15 permanent jobs are created for Canadians. He went on to say that there will be a loss of 60,000 jobs if we go to world prices in Ontario.

I want to ask the Minister, and I will do so later, whether she has consulted with Frank Miller and asked him whether he agrees with his own Deputy Minister of Energy in Ontario. The Minister of Energy in Manitoba has said that going to world prices will cost 1,500 jobs in Manitoba and a lot more across the country, which the federal Government is not calculating. He said that if world prices are necessary, there must be trade-offs. We want to find out what the trade-offs

are which will help the other parts of the country and what will help the consumer.

We want to find out as well what will happen with natural gas. This is a partial deal. The real guts of the dispute between Alberta and Ontario will be in the pricing of natural gas. What the Government has done here is simply to put off the deal on natural gas. We want to find out if the Government will be prepared to commit itself to ensuring that in the future the export price of gas will never fall below what Canadians have to pay for gas. We will find that out when the real deal comes through.

There are lots of things I can say about the Agreement. First, there is a new book on the National Energy Program. I was here when this program was put through. There are a lot of problems with the National Energy Program. There were bureaucratic programs as only the Liberals could have with their grants and back-ins and so on. But the fact is that we need the National Energy Program for Canada. We cannot buy all the rhetoric of the oil companies. We have to give a fair deal to both the producers and the consumers. And this is not a fair deal for the consumer or the general public. This is giving away all the revenues, giving away all the store to the oil companies, largely the multinational oil companies. In spite of all the rhetoric from all sides of the House, the key question will be what will be the world price. That will decide whether the industry really goes. But now we are at the mercy, I feel, of some very false world prices, such as that of OPEC. But we will just have to wait and see. Meanwhile, I will have some particular questions for the Minister.

Mr. Dingwall: Mr. Speaker, I have not had an opportunity to view in great detail the contents of the Agreement the Minister has signed, but perhaps for Hon. Members of the House she would be kind enough to explain what the Government of Canada will lose in terms of revenue as a result of reducing the PGRT, particularly in fiscal years 1985-86 and 1986-87.

My other two questions have to do with the Petroleum Incentives Program. The Minister in her statement alluded to the fact that any existing agreements which are in place she will honour, and I respect her for that. However, is the Minister saying to the Province of Nova Scotia, in terms of replacing the Petroleum Incentives Program with a tax based incentive, that there will not be any way in which there will be any grants forthcoming to the province? Is she eliminating entirely the prospect of a grant as well as a tax based incentive for, say, provinces in Atlantic Canada? It is very important that that still remain as part of the negotiating process.

● (1540)

My third and final question—it is important, notwithstanding your desire to expedite the questioning—is whether the Minister can indicate to us what if anything the producing provinces have given to the oil and gas industry with regard to reducing their royalties? Did the Minister specifically ask that their royalties be reduced? If so, was she successful in getting any of those royalties reduced?