the oil companies, why did the Minister of Energy, Mines and Resources acquiesce in these windfall profits at the expense of consumers in this country?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I note with gratification the interest of the official opposition for the consumer rather than for the oil companies these days. I must tell the hon. member that I do not agree with his conclusion.

Mr. Wilson: Madam Speaker, that is the sort of answer I expect from the minister when he has not done his homework. I hope that the next time he is asked a question about a $170 million rip-off by the oil companies to which he has acquiesced, he will have a better answer than that. Let me draw his attention to the fact that in the wellhead increase in the price of oil, there is a delay of two months, in the last increase from January 1 to March 1. Surely the minister is able to exercise his moral suasion on the oil companies to enforce a delay with regard to implementation of the petroleum compensation charge. There will be two other examples of this kind in the next two years. The total amount will be some $350 million more if the minister does not take action now. May I ask the minister why he did not take action on January 1 to stop that rip-off?

Mr. Lalonde: I repeat, Madam Speaker, that I disagree with the hon. member's analysis. I will take note of his representation, but I must tell him that his analysis of the situation does not correspond to the one we have made.

Mr. Wilson: I would have thought that if the minister had a better explanation for it, he would have told it to us.

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PETRO-CANADA

ACQUISITION OF MERIT PETROLEUM—REASON FOR CHANGE IN SERVICE STATION PRICES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my supplementary question is in relation to another area where I believe the government has been delinquent in encouraging greater competition in the oil industry in this country. It relates to the purchase of Merit Petroleum by Petro-Canada. Petro-Canada was a supplier of product to Merit and, prior to the acquisition when Merit was cut off by a major supplier, Petro-Canada had the opportunity to keep that company in business by increasing its supply. Since then, Petro-Canada has announced it is going to convert the Merit discount stations to full price service stations. Can the minister explain why Petro-Canada did not increase the supply to Merit and why it is moving to convert these stations from discount stations to full price stations, both matters which will affect the consumer adversely?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I will certainly inquire of Petro-Canada, and I will be happy to report to the hon. member as soon as I receive their answer.

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● (1420)

NATIONAL ENERGY PROGRAM

REQUEST FOR INTRODUCTION OF NEW POLICY

Mr. Bill Domm (Peterborough): Madam Speaker, my question is also for the Minister of Energy, Mines and Resources and it flows from the initial question.

The minister has continually referred to a Canadian-owned oil company, namely, Husky Oil Limited, as an example of one which supports our National Energy Program. I obtained the record of the minutes of a National Energy Board meeting of just last month, and I should like to bring this to the attention of the minister. The question asked of Husky Oil was:

> What is the impact of the present economic regime on the viability of development drilling?

The answer by Husky Oil was:

> The combination of the petroleum and gas revenues tax, PGRT, provincial royalties, and the wellhead pricing schedule has, for all practical purposes, eliminated any profit potential of these investments.

Who is telling the truth? Is the Minister of Energy, Mines and Resources prepared to stand up in this House and say that his energy policy does not need revamping? When will he introduce a new oil energy policy that will bring jobs, employment, and economic growth not only to the west and the east but to central Canada as well?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, what I have indicated in this House has been that Husky Oil indicated it was increasing its investment this year—exploration and development expenditures—compared to last year. The record will show what I said at that time, if my hon. friend wants to check.

As far as the energy program is concerned, some problems have been identified and we have made adjustments to take into account those problems, whether they relate to exploration expenses or the definition of Canadian owned and controlled corporations. These modifications and changes have meant significant improvements in the program in terms of advantages to Canadian owned and controlled companies.

We have indicated quite clearly at meetings with Canadian owned companies that aggressive investors are better off under the National Energy Program than they would have been under a continuation of the previous policy. That is what we want. We want a strong, aggressive and prosperous Canadian sector in the oil and gas industry of this country.

Mr. Domm: Madam Speaker, the minister is either intentionally or unintentionally misleading this House.

Some hon. Members: Order.

Mr. Domm: The fact is to the contrary.