

*Taxation*

the National Energy Program is the cause of all of our problems with respect to inflation, unemployment and high interest rates. That is not what I said. That is what the Minister of State tried to impute to my remarks. I am saying that the National Energy Program has exacerbated all these problems. It has increased unemployment &ed440;-1 in this country. It has increased the rates of interest that would otherwise prevail and has increased the rate of inflation in this country.

• (1540)

If the minister does not realize what the National Energy Program has done to investor confidence in this country, all he has to do is to talk to Canadians and ask them whether they want to invest in anything in this country today. They have completely lost confidence in this country.

Let me ask one final question of the minister. Is he aware of the workings of the machinery associated with the incremental oil revenue tax? Is the minister aware, and this is a simple question, how many producing oil wells there are in Canada today?

[*Translation*]

**Mr. Bussières:** Mr. Chairman, the hon. member probably would have us take a catalogue, go through the pages and have a look at it. I think the exercise he would indulge in is not that serious. He goes all the way from gross allegations as to the consequences of the National Energy Program to asking how many bolts there are on a cart's wheels. My view is that kind of exercise is entirely specious.

He suggested the Canadian oil industry was facing serious problems. I would remind him that according to data from the petroleum monitoring agency, financial results and total revenues from overall activities in the oil industry for the first quarter of 1981, which is not 20 or ten years ago, but for the first quarter of 1981, total revenues increased by 22 per cent. The hon. member suggests that things go wrong because of the National Energy Program. The NEP was in force, and nonetheless the 22 per cent increase during the first quarter amounted to some \$24 billion. This is what he calls a drop in revenues. This is what he calls an energy program that threatens the whole oil industry. The hon. member should look at his figures. Net revenues, after tax profits in the oil industry from all other activities experienced a 21 per cent drop to \$1.8 billion. And what caused that drop? A slowdown in certain activities. However, increased net revenues from the three other main segments of the industry made up for that decrease in activities and revenues.

I would remind the hon. member that when looking at momentary difficulties that may be experienced by an individual segment, he should look at the figures, for instance, of natural gas sales to the U.S. for the last three months, and he should state what those figures are. Because they also were affected by the American recession. Can he also give us drilling activity figures in the United States? Can he note that there are also decreases in that area south of the border? I

therefore suggest to the hon. member that when he blames the National Energy Program only, he oversimplifies.

[*English*]

**The Assistant Deputy Chairman:** Order, please. The Chair is in somewhat of a difficulty. Because the hon. member is the first spokesman for his party, I permitted him to speak for almost five minutes over his normal allotted time. Perhaps in the present case I should seek unanimous consent to see if that is agreeable. Is there unanimous consent for the hon. member for Calgary South to put a final question?

**Some hon. Members:** Agreed.

**Mr. Thomson:** Mr. Chairman, I have one further comment. Yes, drilling activity is down in the United States by almost 30 per cent. I am prepared to admit that. As I said, Canadian activity has gone from 455 rigs down to 55 rigs in western Canada. United States activity has declined from 5,000 rigs to 3,500. That is somewhat different.

My last point is that I find it incredible that the Minister of State would stand up and quote figures from the petroleum monitoring agency for the first quarter of 1981, the three months ended March, 1981, when the National Energy Program came into effect in October, 1980.

Is the minister's knowledge of the industry so limited that he believes the industry would flip that quickly in the space of five months, that a whole industry would, all of a sudden, turn off the taps? Is his knowledge so limited that he would try to relate figures for the first quarter of 1981 to something that occurred in 1980? That is absolutely ludicrous.

[*Translation*]

**Mr. Bussières:** Mr. Chairman, I could turn the hon. member's argument against him and ask him if he also believes that a single cause can explain some difficulties experienced by investors in that area? The hon. member is also very much aware that when he tries to blame the National Energy Program as the sole cause of all evil in Canada, he is dead wrong. He should admit it in his comments and in the way he puts his questions.

**Mr. Waddell:** Mr. Chairman, I have three or four questions for the Minister of State for Finance—

[*English*]

—I am not an expert, self-proclaimed or otherwise, with regard to the energy industry in Canada. I represent a riding of little people, consumers, the ordinary people in the east end of Vancouver.

When the National Energy Program came out, along with some other people I supported the thrust of that program. I did so for two reasons. First, we wanted the Canadian consumer to get as much of a break as possible with prices, at the same time considering that we have to receive good value for western Canadian resources. Also, we do not have to follow slavishly the OPEC cartel prices. That was the feeling at home. Also