

and does not want to give it away since he needs it right away. How will the Opposition solve that problem? We are waiting for the answers.

In the oil and gas industry at this time 52 cents on the dollar for a barrel of oil is going to the industry. When the Tories were in power the industry got only 41 cents. While they say that the policy is not working, we have multiplied the income for the oil companies by two and a half times from 1979 to today. They say the policy is not working—

Mr. Forrestall: Not coming from you, because it is not correct.

Mr. Chrétien: It is absolutely correct. Read my speech. If you want, I will table it all. Do you want me to table it all? I made a speech outside the House the other day and if you want a copy, I will send you one. There are the critics, right here in the House. I hope that some day you will pick up my speech which I tried to describe.

The Opposition wants to get rid of the PIP Program. That will mean no more drilling in Nova Scotia, no more drilling in Newfoundland.

Mr. Forrestall: Read what the Auditor General had to say about that.

Mr. Chrétien: They say they want to do that to save money, but if they do so it means the end of drilling in the Canada lands.

An Hon. Member: Absolute nonsense.

Mr. Chrétien: If they do this through the super depletion which existed before, it will cost the Treasury more money and only the multinationals will benefit because they are the ones who can deduct the tax incentives from their income. The person who makes \$10,000 a year cannot use a tax incentive of \$1 million because he does not pay taxes. That is why we had to proceed with the grants programs, because we wanted Canadians to have a share in the action in the oil and gas industry. We have brought that share up from 27 per cent to 38 per cent of the ownership and management in Canada lands. That is what we want to do.

I can give a long list of companies which have benefited and still benefit from that. When I was in St. John's recently, Husky and Bow Valley were there and told the press that if the PIP grants did not exist they would not be in a position to invest there. Some day the Opposition will have to take a position one way or the other. If you told the Member for the Western Arctic (Mr. Nickerson) that there will be no more work in the Canada lands, what would his reaction be? What would be the reaction in Newfoundland? It is very important that we achieve self-sufficiency and security of supply in Canada.

Mr. Scott (Hamilton-Wentworth): That is why we will have more Members from the Northwest Territories.

The Address—Mr. Chrétien

Mr. Chrétien: There is only one there now, and if you cut the PIPs I can tell you that he will be in trouble.

Mr. Nickerson: You have got one. It is the other guy who is in trouble.

Mr. Chrétien: Mr. Speaker, you can see that we are touching nerves over there because they are in complete contradiction with themselves. When the Leader of the Opposition (Mr. Mulroney) is in Calgary, he makes a speech to please the crowd in Calgary. When he is in Toronto, he does not speak at all about the energy policy. I was in Niagara-on-the-Lake with Premier Lougheed and Premier Davis. Premier Davis wants to keep controls on the price of oil in order to protect the petrochemical industry of Ontario. Premier Lougheed does not want control over the price of oil because he wants to have more for Alberta. However, when it comes to natural gas, Premier Lougheed wants to control the price of natural gas because he knows that with the large surplus of natural gas in Canada the price will go down if it is decontrolled.

Therefore, Mr. Lougheed wants to keep the control and Mr. Davis does not want control. He wants the market forces to decide the price of natural gas. What will the Leader of the Opposition do with those two? To whom does he owe the most? How many delegates did he get from them? Eventually he will have to choose and tell Canadians what he will do with respect to these oil and gas policies.

The Opposition says that we cannot work with the provinces. In July we made an agreement with Saskatchewan and Alberta very easily. For the first time we have a complete agreement with the producing provinces in terms of an export policy for oil and gas. There are Members in the House from Saskatchewan who will tell you that never has there been so much drilling activity in Saskatchewan for oil and gas as there is today.

Mr. Mayer: That is because of the Saskatchewan Government. It has nothing to do with you.

Mr. Chrétien: Why were you blaming the federal Government before? The provincial royalties were too high and they had to reduce them. We did not have to do anything. The provinces were taking too much, and now we have a more balanced situation.

So we have a few questions to ask of the Opposition. We can see that they are getting nervous, but it is only the beginning. Wait until we are finished.

Some Hon. Members: More.

Mr. Deputy Speaker: Are Hon. Members rising to ask questions? The Hon. Member for Mississauga South (Mr. Blenkarn) wishes to ask a question?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am ready to continue—however, I see the Opposition is getting jumpier and jumpier!