

Western Accord

wrong with improving and increasing Canadianization in the energy sector?

Some Hon. Members: Nothing.

Mr. MacLellan: That is what we want to see. There is no commitment in this document on this very important question.

Some Hon. Members: Yes, there is.

Mr. MacLellan: It is a very vital factor.

We know that the PGRT will be done away with. That was one of the Government's commitments. But what will that mean? Where do we go from here? What did we get from the Province of Alberta? Nothing. We did not get any reduction in royalties whatsoever. It is a one-way street. Alberta would not even consider a reduction in the royalties. Alberta will increase the Heritage Fund. I would not mind if a little of that money went to the Province of Alberta. There is great unemployment in Alberta and it has food lines, but the Heritage Fund stays in the bank. Increasing the Heritage Fund will not help the people of Alberta in the short term. Certainly it will not help the economy of this country. Premier Lougheed has said that he is saving the fund for a rainy day. Well, we not only have a rainy day, we have an economic monsoon.

Some Hon. Members: Oh, oh!

Mr. MacLellan: Unless there is a commitment by the Province of Alberta to roll back their input—

Mr. Speaker: Order, please. With all due respect, the Hon. Member is entitled to make his statement with the same respect which was given the Minister.

Mr. Malone: But he's talking about Alberta!

Mr. MacLellan: Alberta is part of Canada and we are very proud of it, but it is putting \$5 billion into the Heritage Fund each year.

This country needs economic activity. We cannot balkanize this country. The Prime Minister (Mr. Mulroney) said that this agreement would deal with balkanizing the country, but it does not. The consumers have yet to hear how this agreement will help the people of Canada. They have yet to hear how these amounts will be compensated. They have yet to hear that this will not be put on their backs for repayment.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to thank the Opposition critic for the Liberal Party for his fine comments. I would also like to thank the Minister for providing me with a copy of her remarks before she made her statement.

With this oil deal, the federal deficit is no longer a problem when it comes to giving money away to the oil companies. It is only a problem when it is a question of giving money away to ordinary Canadians. There is a double standard. If I was the Minister of Finance (Mr. Wilson), I would be ashamed. I would also be concerned about giving away the store. The Minister of Finance in the end will have to deal with the

deficit and he has given away one of the major taxes of federal revenue.

On November 8, 1984, social programs were cut because of the need to cut the growth in the deficit. Today we have a situation where the oil companies virtually get the whole store, and all the cut-backs in federal revenue flow directly through the oil companies. There is even a guarantee in the Agreement that the provinces will let the revenue flow through the oil companies. When it comes to these oil companies, Mr. Speaker, on the pretext of federal-provincial co-operation, on which we all agree, four Conservative Energy Ministers become literally patsies for the industry, giving away the whole store. There is \$2.5 billion going to the oil companies ultimately from that PGRT. The PGRT was a tough tax. It has certain constitutional problems. I agree with Premier Lougheed about that. It was really like a royalty and royalties belong to the province. But it did collect revenue for the federal Government from an industry which is not used to paying taxes. Once this revenue based system is changed to a profit based system, these companies find all sorts of write-offs and never pay any taxes.

• (1530)

The federal Government will have to make up that money somewhere. Where will it make it up? You guessed it, Mr. Speaker, it is ultimately going to be made up by the Canadian consumer. Perhaps it will be made up at the gas pumps. There is a speculation today that it will be made up with a tax which will amount to 5 cents a litre. The Conservatives are famous for putting up prices at the gas pumps. They have a history of that. They even lost an election over that, and they still have not learned.

The Government might do it another way. It might do it by some other kinds of taxes, but we will have to wait until the federal Budget to see. We go to world prices, the oil companies get the money and the consumer gets the rhetoric.

The Government is going to monitor the situation. But that is not going to make any difference. The Government already monitors it. There is the Petroleum Monitoring Agency. There is nothing in this deal, Mr. Speaker, to show that when this money goes to the oil companies, it is going to be reinvested in Canada. As a matter of fact, when we go to world price, what will happen is that old oil—that is oil which was found before 1974—will go up in price somewhere between \$4 and \$7 a barrel. New oil, which is oil found after 1974 and would include Hibernia, offshore oil, and so on, would go down in price I believe about \$3 to about \$6 a barrel. If it goes down in price, who are the winners and the losers? The winners are the people who own the old oil and, by and large, they are the multinational oil companies, Shell, Gulf, Imperial and so on. They will make over \$300 million as a windfall and there is no mention in here of any windfall profits tax. There is no way of recouping that money. Who will be the losers? The losers will be the Canadian companies which own that new oil.

I believe it is an irresponsible deal, and it is not even a "deal", because the Government gave away all its ace cards