

*Petroleum Incentives Program Act*

that the federal share of the petroleum incentives program is estimated to be \$940 million for the fiscal year 1981-82, which is up from the original estimate of \$860 million in the draft bill. The government estimates that the PIP grants will total almost \$6.5 billion during the five-year period from 1981 to 1986. As the hon. member for Vancouver-Kingsway said earlier, that is \$6.5 billion as compared to the \$35 million to be put into Canertech, one of the government's paltry initiatives in the field of renewable energy.

The Canadian-ownership qualifications have been loosened since the program was first announced in the National Energy Program. Originally, a company had to be 75 per cent Canadian owned in 1981 to receive maximum grants. This has been reduced to 65 per cent with a phase-in to 1986 for 75 per cent Canadian ownership. In addition, a new ownership level three has been introduced. In this respect, talk about a bureaucratic nightmare is justified.

Canadian-ownership regulations may also be amended by ministerial discretion. We have no guarantee that there will not be further retreats by the Liberals bowing to industry pressure—in this case, the pressure from oil companies—in the same way that the hon. Minister of Transport (Mr. Pepin) has bowed to the pressure from the railways with respect to the Crowsnest Pass rates.

It has been our position that we oppose grants to the richest industry in Canada unless we get more equity in return. Moreover, diverting some of this \$6.5 billion to renewable energy development and conservation should be examined and, indeed, should be recommended as being more cost effective. Under this program, for example, even oil companies which drill a dry hole will still receive the grant.

The focus of our criticism on this collection of bills before us now is the petroleum incentive payments. We believe that the government is overly generous to the petroleum industry. All companies, regardless of the degree of Canadian ownership, will receive a minimum grant of 25 per cent of their exploration costs on Canadian land—that is to say federal lands. The grant can range up to 80 per cent of the cost. As taxpayers, we get little or no equity in return. On provincial lands, the federal government will give grants of up to 35 per cent of exploration costs but not take any equity or ownership in the projects. The grants can range as high as 80 per cent of the cost.

When the grants and tax breaks are combined, the result is that a 67 per cent Canadian-owned oil company in 1982 will only have to spend seven cents on every dollar for exploration. Taxpayers will be putting up the other 93 cents. This is a giveaway of immense proportion to what is already one of the richest industries in Canada in return for little or no ownership. What private investor would put up 93 per cent of the cost of a venture and accept a maximum equity of 25 per cent?

The PIP grants should also, in our view, be tied in with the phony Canadianization policy of the national energy policy. The grants are supposed to promote more Canadianization of the petroleum industry and help us to achieve oil self-sufficiency by 1990. The goal is only 50 per cent Canadian ownership,

not control. Under the program, the industry can still be foreign-controlled. Moreover, the rules determining what is Canadian ownership are discretionary on the part of the minister and have already been relaxed since they were first introduced. The Canadianization program of the Liberals means more private Canadian ownership rather than public Canadian ownership. There is no evidence to the effect that private Canadian companies will act any differently when it comes to blackmailing the government into higher prices, more tax concessions and more exports of our non-renewable resources, than the previous foreign-owned multinational corporations. Self-sufficiency is an elusive goal when the companies turn around and seek to export more. This is why we in the NDP argue that Petro Canada and other Crown energy corporations should have majority control of the whole industry so that policies can be developed in the public interest.

● (2140)

**Some hon. Members:** Hear, hear!

**Mr. Blaikie:** The National Energy Program is phony. What is so hilarious in the debate is that such a phony program should be the cause of such paranoia and fear on the part of the Progressive Conservative Party. It is phony Canadianization because it leaves most of our energy industry in private hands; Canadian private hands instead of American private hands. Therefore, as the hon. member for Vancouver-Kingsway (Mr. Waddell) said earlier, we are merely exchanging Arthur Mellon for Robert Blair, Jack Gallagher and Conrad Black. It is phony because even where it does involve public ownership, it does not depart from the prevailing energy model. This is what I primarily want to speak about tonight. All that the National Energy Program does, to the extent that it does anything, is to change the ownership of the energy industry in Canada without changing the nature of the energy industry. The National Energy Program is still part and parcel of the old and increasingly destructive and futile policy of finding everything in sight, selling everything in sight and using everything in sight as fast as we can, with no care for tomorrow.

The National Energy Program does not face up to the fact that we need to see changes in our energy policies which go far beyond the debate which rages about private versus public ownership of the energy industry. Indeed, both sides of the argument as caricatured by the Liberals and the Conservatives show that this is a pathetic debate. The Liberals are realizing, far too late in the game, that they have sold the shop, that they have sold out the country. And now they might just be buying the whole thing back, to the extent that they are buying it back, and, as I have already said, that can be argued, when it could also be argued that it is worthless and that in a very short period of time the very companies that they want to replace will be moving on to other areas of concern. They will be trying to get control of other energy scenarios and thus, in a very few short years, they will be only too glad to give over to the Liberal Party their present interests.