

Petroleum and Gas Revenue Tax Act

What will flow from this legislation and how will the provisions of it be implemented? The Minister of Energy, Mines and Resources (Mr. Masse) tells us that he will do away with the petroleum and gas revenue tax but that he will ask the Petroleum Monitoring Agency to review and check up on these companies to ensure that the money they are saving from not having to pay the PGRT will be reinvested in the economy. I see that as a kick in the teeth to the energy sector. The Government would not ask General Motors or Litton to report to the Petroleum Monitoring Agency to ensure that their money is reinvested. What the Government is saying to these companies, which it says are so important to the economy and in which it has so much trust, is that it really does not trust them. It is either that or that the Government has a deep fear of the energy sector and no respect for the major companies themselves.

We in the Liberal Party feel that there must be certain measures taken to protect the energy sector. We would not go so far as the Government has gone in this respect. However, we say that in the interests of Canadianization, and not dealing with any particular size of company whatsoever, the Petroleum Monitoring Agency should take time from looking through the keyholes of the major oil companies to see what they are doing, and to monitor and check the transfer of assured supplies of oil and gas. This is the major concern as we see it.

With this downturn in the energy sector so many of these small oil and gas companies in financial difficulty will now become vulnerable to bankruptcy or takeover, not only by major companies but by other companies as well. We saw that Interprovincial Pipe Line purchased Home Oil's reserves of oil for a mere \$4 a barrel. This will be a sky-high price in a few months' time if the downturn in the energy sector continues. In a short period of time we will see proven reserves of oil being purchased for as little as \$1 a barrel, if these difficulties continue.

So what can happen? If one company buys another we know that a transfer has taken place. However, if one company only buys the reserves of another there is no way of knowing that the transfer has taken place. We have no way of knowing in whose hands lie our very valuable reserves of oil and gas. So we are asking the Petroleum Monitoring Agency to check and tabulate any transfer concerning the ownership of proven reserves of oil and gas so that we will have this information which can be published on a regular basis.

● (1530)

We are in favour of the elimination of the petroleum and gas revenue tax. By doing away with it the Government has said that it is in favour of that as well. When was this measure taken? It was taken on September 8, right in the middle of a by-election campaign in the constituency of Pembina. When did the crisis in the energy sector begin? It began in the latter part of January of this year. What has changed between January and now? Nothing at all has changed. It is just that

the problem has existed for considerably longer than anyone would have expected. Nothing has changed. It is just that the energy sector is still in this economic abyss into which it has fallen. The problem has existed month after month and each month it gets worse. It increases not in an arithmetic progression but in a geometric progression.

We had to suffer for practically nine months before the Government realized that something had to be done. Why could the Government have not done something earlier? Why could it not have given the energy sector the benefit of the removal of the petroleum and gas revenue tax earlier? The Government came close to doing it in August when the Minister of Energy, Mines and Resources went to Calgary to speak at a luncheon. All the senior executives of oil companies were there to listen. They all expected that the Minister would announce the end of the petroleum and gas revenue tax. However, he did not announce it. He said that he would do away with it if the province reduced its royalties and reinvested the money in the energy sector, and if the companies could agree to put money back into the energy sector. What unmitigated gall and audacity it took to say that he would give the oil companies back their own money only if they did something else. The Government did not have a heartfelt belief that something had to be done for the energy sector. It only did something for the energy sector because the by-election came along and because the Government realized it was in difficulty. It wanted to do something to win the by-election.

The Hon. Member for Pembina (Mr. Van de Walle) is present in the House today. I would like to congratulate him on his victory. The by-election was not won by the Government doing away with the petroleum and gas revenue tax, it was won by the Hon. Member himself and the campaign he waged. However, the Government did not know that that would be so at the time. It thought that this measure would be very instrumental in the winning of the election. The Government was wrong. This just shows that there is not a commitment on the part of the Government to do something for the energy sector.

We have said that we support the elimination of the petroleum and gas revenue tax. It is something that will help the energy sector. However, we wanted as well a cash flow stabilization program in conjunction with provincial Governments. A cash flow stabilization plan is something that would be entered into by both provincial and federal Governments and would help the small producers.

I think we in the Liberal Party might have made a mistake by saying that we are in favour of the cash flow stabilization plan. Because of the vindictiveness of this Government, if another Party announces that it is in favour of a particular program the Government then feels it cannot get the credit for it. If the Government cannot get credit for it, why put it into effect? Helping people is of no importance. The only thing that is important is to get credit for the programs. We in the Liberal Party may have dealt a death-knell to the federal Government's participation in the cash flow stabilization