

Income Tax

We are subsidizing the oil companies through government funds and through tax incentives, and the bulk of the advantage goes to the parent companies rather than to Canadian companies. If we are putting up capital we should get the benefit, we should be able to exert control so that we could direct policy as well as control price.

When we advocate public ownership, as has been done in a number of enlightened countries, government spokesmen argue that public ownership is not possible because it would cost too much—it is not possible to find \$2.2 for Syncrude. First, we challenge the assumption that the project would cost \$2.2 billion; we would carry out a proper cost analysis before buying it out. The government of Quebec does not find any difficulty raising \$14 billion for the James Bay project; Alberta finds no difficulty in raising \$1 billion to bail out the oil industry in that province.

Mr. Blais: On a point of order, Madam Speaker, on February 6 when we were studying the same bill I rose to say that in my opinion the member who had the floor at that time, the hon. member for Yorkton-Melville (Mr. Nystrom), was not discussing the subject matter of Bill C-49. I am expressing now what I believe to be the majority view of members present in this chamber when I draw your attention to the fact that the hon. member for Sault Ste. Marie (Mr. Symes) is doing the same. What he is now discussing is a political philosophy; he is advocating public ownership as opposed to private ownership. That is what he is basically discussing though it is a matter he ought to have discussed when we were considering Bill C-32.

This bill, Bill C-49, has been in the House for a long period. Everyone is anxious for its passage, and I wish the hon. member would turn his attention to something which is germane to the particular legislation we are considering.

Mr. Symes: The points I am making are obviously getting to members on the Liberal benches. The hon. member for Nipissing (Mr. Blais) raised the same canard last Thursday, but Mr. Deputy Speaker ruled that the hon. member for Yorkton-Melville (Mr. Nystrom) was in order, and I am sure the same circumstances apply.

Mr. Paproski: On the point of order, Madam Speaker, there is a point of order before you. When a bunch of blatant hypocrites in a minority party try to tell the Speaker of the House what to rule, I think we should form a united force here and make sure we put those guys in their place.

Mr. Fairweather: That is rule 47A.

The Acting Speaker (Mrs. Morin): The hon. member was speaking on the amendment to the bill, and it is difficult to disassociate the amendment from the bill. If he wishes to speak on the amendment we shall listen to him.

Mr. Symes: Thank you, Madam Speaker. It is interesting to see Conservative and Liberal members leap to each other's defence when we call attention to the sell-out—

Some hon. Members: Oh!

Mr. Symes: As I was saying, the public has for long been subsidizing the oil industry through tax concessions.

[Mr. Symes.]

During the sixties, because of the tax policies adopted in Ottawa and perpetuated by this government, 38.4 per cent of the capital of the oil companies was supplied through tax concessions and write-offs. That is to say, twice as much capital was given by the taxpayers through concessions as was supplied by parent companies. The parent companies supplied only 17.6 per cent of the capital, and in return they got back in the form of dividends from their Canadian operations 18.1 per cent of the revenue. This incredible tax situation, perpetuated by the Liberal government, is another factor we should bear in mind when considering whether we can afford to buy control of Syncrude and develop our natural resources in the Canadian interest.

Another argument which is usually brought up against treating our resources as a public utility is that we cannot do so because we lack the necessary technical expertise. This is an overrated argument. We should bear in mind that the oil companies interested in Syncrude do not themselves possess the necessary expertise. As is a common practice among oil companies they contract out to drillers and other firms which do the work in the field for them. There is no difficulty about the Canadian government contracting work out in a similar way.

Contracting out to Bechtel, the United States corporation, worsens the balance of payments situation about which the Minister of Finance is so concerned. So Syncrude will not only be borrowing from Canadian banks to pay Bechtel, it will be profiting from tax concessions as well. Jobs will go to the United States rather than to Canadian engineers and firms.

● (2150)

The other day I asked the energy minister what percentage of Canadian firms would be employed in the contracting, and how many Canadian engineers would be engaged. The minister did not have any figures, but the figures I have indicate that the bulk of the contracts have already been let to United States firms and engineers. As an example of the amount of money being spent outside the country in the Syncrude deal, there are four draglines supplied by two American companies at a cost of \$65 million; two fluid cokers from the United States costing \$66 million; a sour water treater from the United States costing \$500 million; desalting of raw bitumen will be done by a Texas company.

The basic technology for the Syncrude deal was developed in Alberta by Canadian engineers with the Alberta Research Council. Yet the oil companies are taking the research done by Canadians and hiring Americans to fulfil the contracts. If the government owns Syncrude, we could hire Canadians and contract out to Canadian firms and engineers.

The Acting Speaker (Mrs. Morin): I am sorry to interrupt the hon. member but the time allotted to him has expired. The hon. member for Comox-Alberni (Mr. Anderson).

Mr. Symes: On a point of order, Madam Speaker—