

who want a more equitable resolution of the question of offshore ownership. The great and wonderful government opposite does not care about the cost to ordinary Canadians. It just cares about more bureaucracy, more form-filling and more redundant methods. It seems to assume that one just sticks a soda straw in the ground, sucks on it, and oil comes out. It has no conception of risk and investment costs, the complexity, the weather and the hardship which goes into developing resources.

**An hon. Member:** What about hot air?

**Mr. Siddon:** The hon. member will have his turn to speak. The government sticks taxes to Canadian—taxes on gasoline, heating oil and natural gas. It willingly consents to high interest rates, which are a hidden tax that we are all paying. The government is spending more than the country is earning and is driving away foreign investment at the same time. High interest rates are nothing more than a hidden tax on Canadians imposed by the spendthrift government opposite. There is a shortage of capital in Canada. In order to obtain enough to finance the government debt, it pays 19.5 per cent on Canada Savings Bonds. Over \$6 billion worth of bond issues will come due next year, \$6 billion dollars that was lent out at interest rates ranging from 4 per cent to 8 per cent. These will now have to be refloated at interest rates of 18 per cent. Who will pay for that? These are all the indirect costs of this foolish intervention by the government. In the final analysis it tells the Americans, the West Germans and the Japanese to take their money elsewhere because it does want it and can do very well on its own. How foolish.

• (2130)

The government then goes to the foreigners to borrow money as it did to purchase Panarctic and Pacific Petroleum to start Petro-Canada.

I read in the newspaper that Petro-Canada had a profit increase of 24 per cent in 1981. What is not mentioned is that after it has paid off its obligations under the term preferred shares arrangement with the chartered banks, who then remitted those payments to their foreign lenders, all that Petro-Canada had left was some \$64 million on a total equity of about \$2.5 billion for a return on investment of 2 per cent. That is what this great Petro-Canada company is earning for Canadians by running all of these fancy gas stations—a 2 per cent return on investment. That figure is not adjusted for inflation, it is the real return on investment. How foolish and ridiculous.

All that I can conclude is that if we cannot get back to providing a system of incentives to private sector investment of the sort outlined in the Crosbie budget of 1979 where, for example, contributions to registered retirement savings plans would be given special income tax status were they to be invested in Canadian common stocks, and where individual Canadians would receive tax benefits to invest in Canadian common stock investment plans up to \$100,000 a person, those kinds of incentives which encourage more Canadians to invest

and take risks in the development of our country, I fear that our economy will go nowhere but down.

**Mr. William Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, I would like to begin by making some remarks on the confusion which seems to exist within the Progressive Conservative ranks. I thought that one of the initial demands which they made during the early stages of the bell-ringing occasion was that the PIP program come forward quickly so they could support it and have it passed quickly so they could get the money to their oil friends in Alberta and elsewhere. We now see them rising to oppose this particular program. Hopefully, the next speaker will clarify why there is this great inconsistency in the policy of the Progressive Conservative Party.

Although I am tempted, I will try to resist replying to some of the remarks made by the hon. member who just preceded me. However, in passing, I must say that I have never heard such unadulterated garbage in my life.

**Mr. Siddon:** The feeling is mutual.

**Mr. Blaikie:** It would not pass some kind of grade six current affairs test with respect to any accuracy at all as to what might be appropriately called communism or socialism, liberalism or anything else. It is this sort of stupid and inaccurate garbage debate which is polluting and poisoning Canadian politics from one end of the country to the other; the kind of intellectual dishonesty and complete garbage that the hon. member was peddling before. I am no friend of the government or of the official opposition, but I believe that the least we can demand of members is to try to have a smidgen of intellectual honesty when they get up to speak.

**Mr. Kempling:** Try it yourself sometime.

**Mr. Blaikie:** Tonight we are discussing the petroleum incentives program act which will replace the super-depletion allowance which was formerly available for frontier exploration and will gradually replace depletion allowances in both federal and provincial lands.

In the past, depletion allowances have permitted deductions from taxable income of 33.3 per cent of exploration, development and certain other costs in addition to the normal full deduction of those costs. Super-depletion allowed an additional deduction of two thirds of drilling expenses for wells costing more than \$5 million. This incentive expired in the spring of 1980.

Under the former tax-based incentive system, maximum benefit went to the larger and usually foreign-owned corporations which have larger amounts of taxable income. As a result, they derived greater benefit from these particular depletion allowances. This tended to inhibit the growth of the relatively small Canadian-owned and controlled sector even though this was the more aggressive sector of the industry.

It is our understanding that the new system is designed to encourage even more aggressive investment by Canadians, directed at both Canadianization and the petroleum supply development goals of the National Energy Program. It is said