

Taxation

Of course, another reason for the decline in oil consumption has been the general recession. It was very interesting the other day when the Minister of Energy, Mines and Resources (Mr. Lalonde) did a little work and pulled out a few figures to indicate that this is a global recession and that it is affecting oil companies throughout the world. He quoted the figures and indicated, for instance, that in this country Gulf Canada, Shell Canada and Texaco Canada outperformed their international parents. I am sure that hon. members opposite do not believe that, because they maintain that the National Energy Program is destroying all of this industry, but in this country they outperformed their parent companies. The minister also pointed out that the earnings of some of the major oil companies in the United States declined in the last year. For instance, the first quarter earnings of Occidental were down 76 per cent over last year's first quarter, and Marathon was down 71 per cent. These are all United States companies. Standard California was down 65 per cent, Mobil was down 49 per cent and Texaco was down 44 per cent. These are the companies in the United States, many of them having large holdings in Canada, whose revenues are declining. Also remember that Exxon has abandoned the oil shale project on which it spent very large sums of money in the United States. So none of the companies in the United States are affected by the National Energy Program. It was not the National Energy Program which made the parent Gulf company do worse than the Canadian Gulf, or the Shell Canada or Texaco do worse than the Canadian companies. It was a series of other things. The National Energy Program has not hindered these companies. As a matter of fact, it has made it possible for us to develop a long-term program, and those companies and many others in this country are doing extremely well. So it is a myth. This particular program is designed to bring those resources to Canadians, to develop them for the good of all Canadians and not to export the profits from these developments to some other foreign country. We should be duly proud of that program and not condemn it, as the hon. members opposite have been doing.

● (2110)

I would like to refer to natural gas for a minute. I keep hearing the story that there is a tragedy out west because we capped about a thousand gas wells and that those wells could be pumping gas—I do not know where, but probably to the United States.

Mr. Kempling: They do not pump gas.

Mr. McRae: We could derive massive revenues from that. As I said before, one would almost think that there were some kinds of perforations in the caps so that the gas was leaking out, disappearing, and then all of a sudden, by the time we got around to it in three or four years, after pumping it out, there would be no gas left. I get the feeling that members feel that the stuff is evaporating into the air and that we are losing all of it. There is one way of getting rid of this gas in a hurry, and that is by pumping it across to the United States. But when that government of the party opposite was in power in 1979,

for a mercifully short period, it supported the National Energy Board in allowing for increased exports to the United States. The then minister was asked by the present minister, by the hon. member for Ottawa Centre (Mr. Evans), by myself and by others, time and time again, "When is the cut-off, with the new discoveries and everything? When will the supply of the western reserve gas equal the demand for the western reserve gas?" The answer was "In 1997". In 1997, my son will be 40 years of age. At that stage, he may have a child of four or five years of age and we will run out of gas at that point or—

Mr. Kempling: When are you going to run out of gas?

Mr. McRae: That is the figure that he eventually gave us after being asked four or five times in this House.

The Acting Speaker (Mr. Blaker): The hon. member for Athabasca (Mr. Shields) rises on a point of order.

Mr. Shields: Mr. Speaker, I wonder if the hon. senator, Senator Foghorn, could answer a question.

Mr. McRae: I always enjoy questions. I would like to answer a question if the hon. member would like to ask one.

Mr. Shields: I just wondered if the hon. Senator Foghorn would accept a question. Oh, he would, would he? I would ask how many days, how many weeks or how many months the hon. member has spent in the oilfields of western Canada, or in Canada.

Mr. Kempling: None.

Mr. McRae: I am not sure, Mr. Speaker, how much time I have spent in the oilfields, but I guess it is certainly not as much as the hon. member for Athabasca (Mr. Shields). He certainly spent a great deal more time there, and it is my hope that he spends a great deal more time there in the future. I have spent some time in the oilfields but not a lot. I do not know what that has to do with the situation. I have not spent very much time on Wall Street, either, but I think many of the people here know a little bit about some of the things going on in the world without being there.

I would like to talk about gas because I think this is an important feature. Basically, there is one way we can get rid of this gas that is capped. One way to get rid of it very rapidly would be to export it. That is a good thing. It would mean there would be export dollars coming in, and so on. But as I indicated, with that crossover line of 1997, which may change, it also means that when we sell or export today, we will not have it for Canadians in the future. I think that the future should be our chief consideration. That gas is not disappearing. That gas is being kept there for future generations of Canadians and there will be much more drilling going on at such time as we need more gas. I believe this to be the prime reason that there has not been the kind of drilling going on in the western reserves, both for oil and gas, that there was before. In one manner or another there was enough at a particular stage of the game to do what was done, particularly in the gas field, and these wells were capped. It is my opinion that we should