

● (1730)

[Translation]

Mr. René Matte (Champlain): Madam Speaker, this statement by the minister really has tremendous importance because of the incredible value oil has acquired in the whole world. However, I think that, at first sight we must recognize we have not sufficient data on the terms of this agreement to be able to make a good judgment.

Madam Speaker, it is strange that the government is acting at a moment when multibillionaire multinational companies are involved in a kind of blackmailing to force the government to contribute financially.

If I may reflect popular opinion, how come billion dollar multinational companies themselves are incapable of investing the full amount needed for the Athabaska tar sands operation, unless the operation is not profitable? If it is unprofitable for a capitalistic corporation, in the worst sense of the phrase, why not then think it over, if we wanted to achieve the objective?

In my opinion, the true objective should be that the oil sands potential should allow Canada to cover its oil needs from its own resources, which is indeed a comforting prospect.

I obviously support that objective, if it is to be met, and if corporations find it impossible to invest all the money needed, because they expect the operation will not be profitable. What if, within a year or two, huge oil deposits are discovered, making oil readily available? What will happen to the investment in that company, where it is recognized the oil will be costly, and special measures are needed to ensure competitive production? What are those special measures? What is the nature of the possible relief given the corporations? What is the exact role of the province of Alberta? Will it be taking royalties? We hear it has a 10 percent participation. But on top of that, Alberta will loan money to companies holding 70 per cent participation. I feel there is absolute confusion there, and I wonder if we are not showing too much haste in committing ourselves that way—I feel compelled to say, as did Shell Canada Ltd.—in some sort of adventure.

The aim is to cover the oil needs of all Canadians, of those who have a special need for it, those in eastern Canada. How come Quebec, New Brunswick, Nova Scotia or Newfoundland do not participate? I suggest it was the federal government's role to create in every Canadian province a sort of climate conducive to some form of co-operative in which all the provinces would have contributed, where they would have provided the funds or established very specific conditions even though this may have required calls for tenders for companies to administer and carry out the development of the sands.

Since this production cannot be left in the hands of just anyone who could do what he wanted, I am sure that all members will agree that Gulf Oil Canada Limited or Imperial Oil Limited could not take all the oil from the tar sands and sell to the United States, England or France. If we say that this oil is for Canadians, it would have to be exclusively to guarantee Canadian consumption. Yet those who need it, like Quebec and all eastern Canada, are not represented.

Income Tax

In my opinion, there is something which is not clear. Maybe this will prove a success. If this is the case, it will bring only 15 per cent to the government and 70 per cent to the others. We should have been told what were the conditions set by Alberta since, as a source of energy, this oil is controlled by the provinces. This is why all the provinces should have benefited from it. In my opinion, the minister should have communicated with all his provincial colleagues and urged them to come to an understanding and truly ensure supply throughout Canada. As far as I can see, the Ottawa River will be the territorial boundary, since eastern Canada will continue to get its oil from foreign sources.

I believe that something is not clear. It is therefore impossible to make a judgment and say whether this is good or not. I greatly fear it is no good and I think that there should have been some kind of co-operative set up by the federal government, the provinces and private enterprise. Some might say it is a fad but why didn't anyone think of financing these two billion through new, interest free credits from the Bank of Canada? It doesn't matter that oil extracted from the tar sands is costing more than the product coming from Saudi Arabian wells; there would have been no problem since it would simply have been financed through the physical capacity of Canada to develop these sands.

[English]

The Acting Speaker (Mrs. Morin): Pursuant to the special order made earlier today we will now revert to the business which was before the House at five o'clock.

GOVERNMENT ORDERS

[English]

INCOME TAX ACT

The House resumed consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-49, to amend the statute law relating to income tax, be read the second time and referred to committee of the whole.

Mr. Harvie Andre (Calgary Centre): Madam Speaker, as I indicated in my opening remarks I want to spend a few moments talking about the taxation of resource industries, a subject to which the Minister of Finance (Mr. Turner) devoted most of his speech when introducing Bill C-49 for second reading.

The minister indicated that he felt much of the debate on this subject was getting away from the central core of the issue, which was the question of the fair sharing of oil revenues. He implied that all of the other discussions about consultation with the provinces, about maintaining a viable oil and gas industry, about security of oil supplies for Canadians, about jobs for Canadians and so on, are immaterial to the question of what constitutes a fair share of the oil revenue which must go to the federal government. If that represents the minister's views, he has clearly lost track of what should be the priorities of his department and of the government.