

rate of production from oil wells. The federal government determines whether there will be exports, sets the price for oil and sets the tax rate in terms of profits and rates of return. Under those circumstances the oil industry is like a utility. Ownership does not mean very much.

Why are we so worried about the multinationals when we are now in the position of taking our hard earned tax dollars and buying these companies? Capital will leave this country. Petrofina will be laughing all the way to the bank. As I said, six months ago its shares were worth \$60, and now they will be sold to the Canadian government for \$120. What will Petrofina do with that massive amount of money? It will take it across the border to the United States, put it into drilling companies there and make a bundle.

Will we have any more oil? No. We have simply taken over a company which was working and paying taxes. It could not produce oil unless the province involved said it could have a lease. The rate of production was set by the provinces. The price and the tax was set federally. I would be interested in hearing what the governments says about that in terms of a general argument.

**Mr. Kaplan:** It is so that Canadians will get the profits.

**Mr. Thacker:** Let us look at that. If Canadians owned shares of Petrofina, I believe their rate of return would have been something in the order of \$8 per share. If they put up \$60 to buy a share and got an \$8 return, that would have been a reasonable rate. However, we are paying \$120 per share. What kind of rate of return is that?

**Mr. Kaplan:** Ten times cash flow.

**Mr. Thacker:** What about the \$120 we had to borrow? At 15 per cent interest, that will more than use up what the dividend will be, so we will lose money.

**Mr. Kaplan:** We are not borrowing it. You said yourself we are raising it by a tax.

**Mr. Deputy Speaker:** The hon. member for Lethbridge-Foothills has about one minute in which to conclude his speech. I am sure other hon. members will have an opportunity to reply.

**Mr. Thacker:** The last major point I was going to cover was with respect to tax expenditures. I have spoken about this in earlier debates. I believe this special task force should take a real look at tax expenditures.

● (2130)

In conclusion, I am convinced then that there is no need for this deficit, and there is no need for a \$14 billion borrowing authority. We need to review the whole area of tax from the point of view of fiscal transfers, revenues, expenditures and tax expenditures, because in my opinion, with an honest look at the whole picture, we in this country could very easily and with very little manoeuvring—and certainly without hurting the people of the nation—have a balanced budget. It would lead to people feeling that the tax system was fair. They would then

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be prepared to pay their fair share because they would feel they were getting service from their government. I wish we could do that, but it sounds from the interjections on the other side that this is not even in their contemplation; maybe they will change someday.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, for 13 years in a row I have listened to the Liberals and the Tories sounding like kettles calling pots black, whether in or out of office. I am amused by the protestations regarding a fair tax system. I am amused by the protestations from one or the other, Grit or Tory, in or out of office, about borrowings and deficits. Both of those parties for 113 years have done exactly the same thing when in office. Neither one of them has learned anything, at least in the last 45 years. In fact, I find it amusing when they get up to tell us about the errors of socialism and communism. They say free enterprise is the best, the end all and the be all. We have had it for 113 years and there have not been any socialist governments in Ottawa.

Who got us into all this trouble? I ask the hon. member for Lethbridge-Foothills (Mr. Thacker), or the hon. member for Vegreville (Mr. Mazankowski) what got us into all this trouble in the first place. There were no socialists in power. This was caused by good old free enterprise.

On the question of borrowing \$14 billion, in addition to money not yet borrowed, I would just ask what it is being borrowed for. I listened to the hon. member for Lethbridge-Foothills and the hon. member for Vegreville. I wish the latter would quit being bitter because he really is a nice guy. He would have made a good minister, a damned good minister. He was a good one while he was there, although he had some dumb colleagues. The hon. member for Lethbridge-Foothills, who just sat down, talked about the Department of National Revenue and its spending. He mentioned hospitals, medicare and so forth. I did not hear him say that this spending should be reduced. I am sure he did not mean that. Far be it from anybody in this chamber to make that suggestion.

I find it passing strange that people from a province which has its mess of potash or pot of message, sitting on \$6 billion or \$7 billion, should have the second highest medical and hospital premiums of any province in Canada. They should be bloody well ashamed of themselves. I ask the hon. member from Lethbridge, or any other member from Alberta, whether that is any fair kind of taxation, any Christian or moral treatment through government financing?

A worse case is that of hon. gentlemen who come from Ontario and rave in this place about national government spending on medicare.

**An hon. Member:** How come so many people are moving into Alberta, by the thousands?

**Mr. Benjamin:** They are moving to Saskatchewan too. Do not worry. We all take turns being up and down, and when one is casting stones, one had better board up his glass windows. I have not heard any member of the Liberal or Conservative