

Taxation

We have many alternative sources of energy, from nuclear, to solar, to biomass, to forest products, and we have hydrogen. An excellent report was released concerning hydrogen by the Special Committee on Alternative Energy and Oil Substitution chaired by the hon. member for Pontiac-Gatineau-Labelle. We do have these alternative energy sources available to us.

We have introduced a program of development so that we can get at them. The third aspect of our program, apart from the pricing and revenue sharing regime and apart from the conservation conversion scheme, is our program for Canadianization. We have said that what we want to do over the ten-year period during which the National Energy Program is in effect is to reduce foreign ownership in this key sector from 75 per cent to 50 per cent.

I know some hon. members opposite have criticized us. If they are on the far right of me and belong to the New Democratic Party, they have criticized us for not going far enough and not going all the way. If they belong to the official opposition, they have criticized us for going too far and for a program which we call Canadianization but which they, in their rhetoric, refer to as nationalization.

Mr. Siddon: That is why everybody is unemployed.

Mr. Peterson: We have introduced a program which has made possible the existence of what, I think, is one of the great institutions and hallmarks of Canadian economic development. I am referring, of course, to Petro-Canada. Again, the roots of Petro-Canada go right back to the election of 1980.

Mr. Siddon: How much cheaper is Petro-Canada's gas at the pumps?

Mr. Peterson: At that time, the Conservatives were saying "We will abolish Petro-Canada."

Mr. Siddon: How many bargains have they passed on to the consumer?

Mr. Peterson: We stood up and said that Petro-Canada must be an integral part of the development of Canada's resources. Petro-Canada is now playing a major role, not just in owning a vertically integrated oil and service company, one that goes right from producing fields to the gas pump, one to which people from coast to coast can drive to fill up their cars with gasoline made in Canada and sold by a totally Canadian company, which the taxpayers own, but it has given us a window on the energy industry. It has given us the method to determine what the facts are out there. I am proud of the role being played by Petro-Canada. But this is not the key part of our Canadianization program, it is only one small portion of it. The major aspect is to determine that the private sector in Canada has an opportunity to expand, grow and flourish. We have seen that happening.

Mr. Siddon: That is why people cannot afford mortgages.

Mr. Peterson: I would like to take the liberty, Mr. Chairman, of—

The Assistant Deputy Chairman: Order, please. I am sorry but I have tried to catch the hon. member's attention to advise him that his time has expired and that he can proceed only with the unanimous consent of the House. Is there unanimous consent for the hon. member for Willowdale to continue his remarks?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Blenkarn: Mr. Chairman, we heard a rather interesting exercise from the hon. member for Willowdale. I hope he has an opportunity to have a chat with his brother, in the Ontario provincial Liberal Party. I hope he will talk about the ownership of oil companies by the state and the way in which the party his brother operates in the province of Ontario criticizes the national energy policy and the energy policy of the province of Ontario at every possible opportunity. I thought perhaps we might have heard something illuminating from the hon. member from Willowdale. We thought that he would have read the title of the bill, it being an amendment to the Excise Tax Act. We reflected on his opening remarks that the Liberal Party had promised not to change or increase the excise tax. Of course, what this bill contains is an enormous increase in excise taxes, not only with respect to gasoline because it does not affect gasoline as such, but it affects the raw product at the wellhead prior to its going to the refinery. Instead of having an excise tax at the refinery gate with respect to separate products produced from that refinery so that the tax might be more heavy on gasoline and no tax on home heating oil and no tax on gas used for the production of fertilizer for farmers, we wind up with this horrendous tax that is impoverishing farmers and impoverishing people who are forced to heat their homes with oil. It is an unfair tax that has nothing to do with ability to pay. It is a tax on heat in a cold country. It is a tax on energy required to make farms and the rest of the country prosper. It is a tax at the base of the product. The tax is passed on with each add-on, as it passes through the system, and mark-ups are placed on the tax by people who refine and distribute the products and by people who manufacture with the products, the chemicals and other materials from gas and oil. It is a bad tax.

● (1630)

I want to ask the minister some questions. The hon. member for Calgary South asked the minister, in connection with the profitability of certain Canadian oil companies, whether the effect of these taxes had so hurt their cash flow as to make them incapable of performing in the marketplace. We know from the newspapers that the cabinet or the minister is inquiring into Dome Petroleum. Could the minister advise us on how the impact of the PGRT, the incremental oil tax and the other taxes in the bill have affected the cash flow of Dome Petroleum, so that the government may well have to advance to the company as much as \$1 billion? Could he perhaps explain that to the House?