

Natural Resources

member is advocating. The effect of that can only be to stifle the individual and to prevent Canadians from taking on those activities which lead to greatness on an individual basis and as a nation.

Like my friend and colleague, the hon. member for Northumberland-Durham (Mr. Lawrence), I object most strenuously to the notion that only socialists are nationalists and patriots. I was a founding member of the committee for an independent Canada, and I believe that far too much of our economy is owned by foreigners. I know why that is so. It is because the oil industry is owned primarily by foreigners and it is because of the stupid tax laws in this country which have existed for too many years.

I do not know how many members in the House realize that until the budget of 1975 an American could invest in Canadian energy development on free tax dollars but a Canadian could not, so that we had the ludicrous situation where it was cheaper for an American to invest in Canada than for a Canadian to do so. That was the kind of tax law that existed in this country? Why? Because the Liberals, with the encouragement of the CCF and the NDP, wanted a tax system that gouged Canadians. They did not want incentive in the system so that Canadians could invest on an equal basis with foreigners in our own country.

When the hon. member for Nanaimo-Cowichan-The Islands was the premier of Saskatchewan, he was not in Ottawa saying that he wanted to change the law so that Canadians could develop the oil reserves of Saskatchewan; he was inviting Husky to participate. He is more responsible than anybody for Husky having the position it has in Saskatchewan, if you want to assess how Husky got to that position.

● (1652)

Today the hon. member for Nanaimo-Cowichan-The Islands stood and sanctimoniously said that a true Canadian stands for more and more government and a state owned company to take over everything. Of all the sanctimonious—

An hon. Member: Hogwash?

Mr. Knowles (Winnipeg North Centre): Flim-flam?

Mr. Andre: I think the word I was about to use was unparliamentary.

I hope the Minister of Energy, Mines and Resources will listen to what I am saying. The tax provision has a built-in sunset clause. It will change on July 1, 1979. If we want to return to the situation where Americans can invest in Canadian energy supplies tax free, then all we have to do is allow that provision to lapse. It will lapse on July 1, 1979, unless some changes are made. If the New Democratic Party is serious about wanting Canadians to develop our resources, they should join with us in pressuring the government to extend that date, or eliminate it altogether. The tax law could be left as it is now so that we are on a par with foreigners when it comes to investing in our own country.

[Mr. Andre.]

Also I should like to comment on the apparent ability of the New Democratic Party to be on both sides of the fence at the same time without hurting itself. During oral questions today, the hon. Leader of the New Democratic Party (Mr. Broadbent) stood and condemned the government's handling of the Post Office. He indicated how outrageous it was that letters were not being delivered, were being shipped all over the country, and that the management of that government-run operation was horrendous. Then the hon. member for Nanaimo-Cowichan-The Islands said that we should turn over the entire oil industry to the same people who are running the Post Office. He did not even display a shred of embarrassment about the obvious contradiction. It baffles me.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Those are the last people I would want to run anything.

Mr. Andre: At one time I heard an interesting comment by a Mr. Schumiatcher, whom the hon. member for Nanaimo-Cowichan-The Islands knows well. This gentleman went to Saskatchewan to work for the socialist government of that province. Eventually he became quite a staunch, small "c" right winger. He was asked why he changed from an avid socialist to a small conservative at the other extreme. In reply, he said that any person who is 20 and not a socialist has no heart, and when he is 40 and not a conservative, he has no brains.

Mr. Knowles (Winnipeg North Centre): He borrowed that from 100 years ago.

Mr. Andre: I do not know if that is his theory or that of someone else. Given the quality of the argument today, despite the actual age, immaturity certainly is evident. The apparent unwillingness of the NDP to see the obvious contradiction is unbelievable. On the one hand the NDP say that the government messes up everything it touches, and on the other hand it says that we need more government.

Why did Petro-Can become involved in the first place? It was negotiating with Husky and Gulf Oil to develop heavy oils. Husky was awaiting a response to a suggested arrangement, when Petro-Can came along with its raid. Then Husky was in contact with Occidental. Occidental came up with a higher offer, and we know the story from then on. Why did Petro-Can do that? Why did it operate that way? There were at least two Canadian consortiums which were ready to make offers for Husky. They were upstaged by Petro-Can.

Mr. Benjamin: Why did they not make the offers?

Mr. Andre: Because of the treacherous behaviour of Petro-Can. Petro-Can was supposed to be negotiating, and instead it pulled out its raid. Petro-Can cannot outbid Occidental. It will be an impossibility because of American tax law. If Petro-Can pays cash, it is a taxable capital gain in the hands of the present owners. Thus, they get to keep half, and the American government will get the other half. That will put Canadian tax dollars into the American treasury. However, Occidental's paper value is not taxable, even though it is a second rate issue