

*Possible Takeover of Home Oil Company*

sold as the result of the incidence of estate tax and succession duty taxes.

It is unfortunate that the hon. member for Lotbinière (Mr. Fortin) is not in the chamber because I could tell him that the government of his province, through punitive succession duty laws, has driven Canadians to dispose of their companies before death or, in the event that they were caught unexpectedly, caused their executors to put up their shares at fire sale prices. The same applies to the level of succession duties in Ontario, and then there is the federal government taxation on top of that. One has only to recall North Star which was absorbed by Shell. The same thing happened to Canadian Oils. I suppose one could say to the provinces that they should not levy succession duties, but they do. They have that right. This is where we, as Canadians, have the wrong end of the stick. We think we can live like the prodigal son off the fat of our endeavours, but far beyond our capacity to produce. We want all sorts of frills, but the economic core of this country must do the producing, and we always seem to bleed that core. My hon. friends to my left would not even want it to live. They would kill it.

This economic core is what provides the money for all the things they ask. Of course, the NDP have a shelf full, a nest full, or a bag full of people who are expert in running all these industries that they want to take over. But we can point to certain examples in Saskatchewan.

**An hon. Member:** What sort of government have you got in Ontario?

**Mr. Lambert (Edmonton West):** They do not have a great number of Crown corporations, but Crown corporations are not a good example when it comes to dealing with labour, or anything like that. I am not going to make myself an apologist for Crown corporations.

Just compare the high incidence of taxation on Canadian corporate earnings as compared with the situation in the United States, the high taxation on dividends in Canada as compared with the situation in the United States, and the unequal tax treatment given investment in resource development programs in Canada as compared with the United States. An American, not even engaged in the oil business, can invest money here in Canada and get full allowance for it, regardless of whether it is his major source of income. But to Canadians we say that it must be their principal business. The result is that Americans have run circles around us.

Let us look at what Mr. Brown had to say about the activities of Home Oil as recorded at page 50:58 of the committee hearings:

During the past ten years we have raised \$170 million. I submit this is a real achievement for a company the size of Home, and especially so when one realizes that at the same time it has been possible to retain over 90 per cent of our voting shares in Canada. It is also noteworthy to point out that only 19 per cent of these funds were obtained in Canada under relatively favourable tax rules.

Our ability to raise capital in the future, particularly in Canada, will depend to a great extent on the tax incentives provided both to the industry and to individual investors. The white paper proposals would reduce these important tax incentives to the industry. The proposed investment incentives fail to encourage

[Mr. Lambert (Edmonton West).]

high risk investments by Canadians. Preference is given to investment in low risk, well established companies. Resource investments are further penalized by the proposed tax on capital gains, which will have a relatively greater effect on this form of investment. The high rates of tax proposed for the transitional period would drastically reduce investment in the industry at a most critical time. As you know, exploration in Canada is becoming more costly and more risky as we move to the more remote northern regions of Canada.

• (11:20 p.m.)

I know that my time is limited, Mr. Speaker. I hope the House will extend to me the courtesy it extended to other hon. members and allow me to finish. We can see the background to this transaction. I trust that after I sit down the minister will stand up and give us the details of what has happened. Since he was satisfied to go on television and say that he is hopeful about the situation, I trust he will tell the House what the situation is. Then we shall be able to judge whether it is possible, in this particular instance, to salvage a company of this nature. I will not cry about economic nationalism at this time. This is neither the time nor the place to do that. But we must have information if we are to embark upon an intelligent debate, and I think the information has been withheld from the House.

**Mr. Knowles (Winnipeg North Centre):** Mr. Speaker, I rise on a point of order. Since the Minister of Energy, Mines and Resources (Mr. Greene) has refused to take part in this debate, and since he has shown his contempt for what is going on here by making a statement outside the House—

**Some hon. Members:** Hear, hear!

**Mr. Knowles (Winnipeg North Centre):** —I ask leave, on behalf of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), and as his seconder, to withdraw the motion.

**Some hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please. The hon. member has asked for leave to withdraw the motion. I am not sure whether he can do that on behalf of the mover of the motion who is not in the House at present.

**Mr. Knowles (Winnipeg North Centre):** Mr. Speaker, I have his authority.

**Mr. Speaker:** The hon. member says that he has the authority and I do not doubt that. It is still somewhat irregular. At the same time, there must be unanimous consent to allow the motion to be withdrawn.

**Mr. Greene:** No.

**Mr. Speaker:** There is not unanimity.

**Some hon. Members:** Oh, oh!

**Mr. Greene:** Mr. Speaker, on a point of order—

**Some hon. Members:** Oh, oh!