

Mr. Lawrence: Mr. Speaker, I apologize for waiting so long to raise this point but it deals with a correction to *Hansard* of yesterday. This was brought to my attention at the beginning of the question period today, but the Minister of Labour was not in his seat at the time and I thought it better to wait until he was. When the question period started I did not want to interrupt. My point deals with a question I put yesterday. I had some difficulty in posing the question but I thought I got the answer from the Minister of Labour yesterday. That answer was no. The minister's answer, which I thought was no, does not appear in the *Hansard* of yesterday, however. I would draw Your Honour's attention to page 3537 of *Hansard*. The minister's answer does not appear. I may have been mistaken, Mr. Speaker, but I thought he said "no". If he did say no, I would like the correction to be made.

Mr. Speaker: Order, please. The hon. member for Northumberland-Durham is quite correct. I was watching the minister very closely for his answer and his answer to the final supplementary was clearly no. If *Hansard* did not record that it should have.

[Editor's Note: See page 3537 for correction.]

Mr. McGrath: A point of order, Mr. Speaker. I would draw Your Honour's attention to the fact that the hon. member for Simcoe North (Mr. Rynard) has tried on at least 30 occasions today to get the floor.

GOVERNMENT ORDERS

[English]

INCOME TAX ACT

The House resumed, from Tuesday, February 25, consideration in committee of Bill C-49, to amend the statute law relating to income tax—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the chair.

The Chairman: When the House rose last night clause 4 of the bill was under consideration.

On clause 4.

Mr. Peters: Mr. Chairman, despite the reluctance of the government to vote yesterday and the amusement of last night, I think the discussion produced some very new and interesting facts. One of the things that came out of that discussion was the fact that Syncrude was set up in a way totally different from any other company. I think it is fair to say that it was set up through the participation of the provincial and federal governments and, I presume, on the basis of our demonstrated need for oil in the east. Because Syncrude would be coming on stream to alleviate the developing shortage, the government used extraordinary methods to establish it, even taking equity in the company.

Although we passed a law, which I presume will be back dated, not to allow tax exemptions for royalties, we are making an exception in the case of Syncrude. If we do this, by a private bill or under the Financial Administra-

Income Tax

tion Act, we will establish a precedent. If the reason for doing it is so Syncrude can develop in the national interest, then I think this clause which would exempt Syncrude from the provisions of the act should not be included unless it be extended to cover companies such as Shell Imperial, Gulf and others that have indicated a desire to participate in the development of other segments of the tar sands.

● (1520)

Considering that the tar sands contain probably the largest known oil reserve in the world, and considering that our oil needs will be vastly greater in the 1980's and 1990's, why should the government limit its concession to Syncrude? Why not give concessions to other companies as well? I think the minister could do this easily by amending the bill before the committee. If he does not so amend the bill, every company which will want to explore and develop the tar sands will lobby in this House, until more concessions are granted. In any event, concessions granted through use of the Financial Administration Act lead to inequalities.

Surely we are not saying that the government is interested in seeing only Syncrude develop the tar sands. Other companies, perhaps privately owned, will also want to take part in tar sands development. They will exert pressure. Therefore, will the minister not consider amending the bill in order to provide for orderly development? I do not think the Financial Administration Act is an adequate mechanism for controlling development. I think the minister knows that members of parliament oppose the use of the Financial Administration Act for the accomplishment of purposes which can be achieved by other legislation.

Clearly, other companies in this country will want to develop the tar sands. They, too, will ask for Syncrude-type exemptions. Surely the minister is not saying, as I said just now, that only Syncrude should develop tar sands, that other entrepreneurs should not. If that is what he says, he has become a socialist. As surely as I stand here, the government will eventually pay for all Syncrude development, even before this parliament expires. The government will take over the operation because oil companies will find that such development without government help is not feasible.

If we are not to depend on outside suppliers of oil we shall need to bring on stream, by the year 2,000, at least eight additional tar sands plants. Such development will not be possible unless other companies are given Syncrude-type concessions. This can only be done through legislation. If the minister does not amend the bill, companies will seek exemptions through the introduction of private members' bills, or through use of the Financial Administration Act.

I think most agree that the Financial Administration Act is not the proper vehicle for the granting of such exemptions, and everyone knows how difficult it is to secure passage of a private members' bill. Further, there will not be harmony in the industry if part of it operates under one tax structure, and another part under a vertical partnership, joint venture, or whatever you may call it—what do you call it?