

Income Tax

That is a natural phenomenon in the free enterprise system. Anyone in that system will go where they can make profit with the greatest ease and where they can have the greatest number of shares with the highest dividends for their shareholders.

● (1640)

If you play that game, which is what the federal government is doing, you have to offer incentives to match what the Americans are doing—write-offs to the tune of 100 per cent for exploration—in the hope of attracting capital. I do not think that will happen. The incentives we offer in this country and the type of oil we are going after will still make it more attractive than what they are doing in the United States. If you are going to offer incentives, you will have to reduce taxes on oil to such a low level that there will be a massive sell-out. So my party has been suggesting that we take another route. Why cannot gas and oil be publicly owned, as is electricity in most parts of Canada today? That is the situation in almost every country in the world. For example, in Britain all future energy developments are at least 51 per cent publicly owned. In France, Japan, most of the OPEC countries and many of the small developing nations, energy is publicly owned.

The same should be done in Canada. This cannot be done exclusively in one small province in the country because you will have one province being played off against the other. If you take oil as an example, Saskatchewan owns 10 per cent and Alberta 85 per cent. If Alberta develops oil under the traditional corporate system where all kinds of write-offs and incentives are offered, while Saskatchewan imposes heavy taxes on this resource, naturally it will be difficult to develop oil through the free enterprise market. That is why, if you impose heavy taxes on the oil industry, you must establish a national petroleum corporation which would have the co-operation of all the provinces. You cannot play just half the game. One cannot be just half pregnant, as someone said. You have to go one way or the other.

That is why I object to this clause. I do not want to see further write-offs being granted to oil companies. I know why it is being done. The government is trying to hand out a larger number of candies to them than is the United States. The time has come to develop this industry under public control, including exploration, development and refining. This is a non-renewable resource and it should be treated as a public utility. It is for that reason I object to this clause and other clauses which give greater incentives to the oil industry.

Mr. Bawden: Mr. Chairman, I will take only a moment; however, I cannot help but say a few words in case the minister and the parliamentary secretary were listening to the last speaker. I think it is a very simple thing: either incentives will be provided in Canada and this country will have at least a shot at being self-sufficient or, if we continue to follow the rules that the government is proposing in the budget, we will find that our country will fall far short of self-sufficiency. That is what this debate is all about.

Many of the important clauses in this bill which affect the natural resource industries can be dealt with in a number of ways. There are all kinds of questions that can

[Mr. Nystrom.]

be put. It is simply a question, when the final figures are totalled, as to the kind of return an exploring company can get in Canada as against the kind of return they can get somewhere else. I think the key question, as suggested by the hon. member to my left, is that of public ownership, and I would like to put forward the following facts. Today, Canada is facing strikes in many critical areas where a few people, such as air controllers and others, can virtually shut down this whole country. I suggest to the members on my left and to the parliamentary secretary opposite that we could envisage one of the most serious situations that could be imagined in our country, with our cold climate, were we to concentrate all of the ownership in Crown corporations or public utilities so that by the simple turning of a valve by striking employees the country could be put up to ransom in such a way that it could not even operate for 12 hours.

In these situations, a strike within any number of independent or even large companies has its limits. The fact is that these employees know that in bargaining there is a limit to which a company can go and maintain its viability, and these limits are certainly recognized by labour and by management as well. Strikes against the government and strikes against public utilities, when unlimited funds can be provided simply by running the printing presses, provide an opportunity for a small segment of the population to hold the country up to ransom.

Mr. Symes: Mr. Chairman, I cannot let the comments of the owner of an oil drilling concern go unanswered. He has made a very interesting case for destroying labour organizations and unions in Canada by bringing out the red herring of a possible strike among the employees of a Crown corporation whereby they could hold the country up to ransom. A wildcat strike among any of the employees of any company that exists today, including Imperial, Gulf or any other, could do the same thing. But the hon. member ignores the major factor of who is blackmailing whom in this country, who is holding whom up to ransom. Of course, the most recent example is the Syncrude operation where a group of multinational oil companies beat this government into the ground.

A couple of Mondays ago at a meeting in Winnipeg some oil companies manoeuvred Canada into a position of facing shortages and misled the government in their reports to the National Energy Board by telling Canadians that we had enough oil for 200 years, that we had nothing to worry about and that we could export millions of barrels of oil a year. But suddenly this government woke up to find that we do not have all this oil. As a result, the multinational oil companies have this government and the Canadian people on their knees, and they say, "You will do things on our terms before we will go looking for more oil".

Syncrude is the best possible example of this. A couple of Mondays ago the Minister of Energy, Mines and Resources said he would go to Winnipeg to convince the partners of Syncrude to postpone their decision to pull out by January 31. That is all he was going to do. Suddenly we found that the Canadian government had committed \$300 million to that project. The cost has continued to escalate. There were four reports prepared by the government of Alberta. The federal government received one of them on