

Income Tax

• (1640)

Instead of bailing out the oil companies, why can we not develop our own resources ourselves? The minister can raise the money for the development of the tar sands and oil shale. This development will bring great future benefits to the Canadian people. The oil companies operating in this country have not done badly in the last 20 years and are leaving, not because of this country's tax structure but because they know there is not much new oil to be developed in this country from conventional sources. They know that our potential for oil, including offshore oil, is small. I predict that there will not be large oil finds in the Arctic watershed, and if you exclude offshore oil, not much conventional oil will be found in the rest of this country. Let us not kid ourselves about why the oil companies are removing their rigs.

If we do not want to depend on the Arabs, we should look to our government to develop our oil. In the long run, the government will regain its costs of developing the tar sands. Present expenditures for oil sands development are only the beginning. This is a long-term proposition and many plants must be built if we are to satisfy our needs. But, Mr. Speaker, the money which will be made from the oil will help the future development of this country, if the government does the developing. It does not matter if the money comes from the treasury or from borrowings; the return to the Canadian people will be oil at reasonable prices.

As surely as I stand here, if the minister, together with the Minister of Energy, Mines and Resources, gives concessions to the oil consortium and allows it to charge as much as we pay for offshore oil, days of reasonably priced oil, even in western Canada, will be gone forever. Consider, also, what large-scale oil sands development will mean for employment in Canada. In the depression the Tennessee Valley authority program, begun under President Roosevelt as part of the new deal, revitalized the economy of the United States. Under that program useful work was done for reasonable pay. We should undertake that sort of development. If you subsidize the Seven Sisters and allow them to make as much in the next three or four years as they have made in the last three or four years, the Canadian people will suffer fantastic losses and the minister will long be remembered for subsidizing corporations instead of the people of this country.

The oil sands should be developed only by public enterprise. Some suggest that the government would not know how to go about developing the oil sands. Well, consider what the Conservative government of Ontario has done in developing atomic energy and hydro power. They can now produce three or four CANDU units a year which use some of the most sophisticated technology you can find anywhere; and this is done competitively. Development work done by Ontario Hydro is no less complicated, and perhaps even more complicated, than any work which may be necessary to develop the tar sands. Ontario Hydro has developed nuclear power stations at Pickering and the Bruce peninsula as part of a

[Mr. Peters.]

public utility. They did not play around, as did the government of Nova Scotia which tried to produce heavy water but did not. I am not sure yet if Nova Scotia will produce it. Ontario Hydro, operated under public ownership, is producing heavy water at the Bruce peninsula. The reactor is working at 90 per cent capacity. The Hydro people are considering tripling their potential for heavy water production and increasing by six times their nuclear potential in the Bruce peninsula.

If we can develop nuclear generators under public ownership, we should be able to develop the oil sands under public ownership. So the Minister of Finance should meet with other finance ministers and say, "We will not give any concessions to the consortium developing Syncrude". If that means the consortium goes bankrupt—good. More than likely, they will pull out. The federal government and the governments of Alberta and Ontario have the know-how to develop the tar sands. They should use it. The Department of Energy, Mines and Resources has done much of the work which oil companies would use for the development of the tar sands—so why should the government not use such knowledge?

I hope the minister will give consideration to developing the tar sands under public ownership and involve other provincial governments in the development. Each province has an immense interest in oil and the price of oil for the next 20 years. Provincial governments will be willing to contribute to the development of the tar sands. In any event, if the government allows the consortium to develop tar sands it, the government, will provide most of the money—but we shall not see any of the benefits. We shall pay offshore prices for a product we shall have financed ourselves. Those members who believe in subsidized corporate development should examine this matter carefully.

Do not forget, farmers of western Canada use more oil than is used by any other segment of our population. Therefore, the people of Alberta, Saskatchewan and Manitoba are just as interested in this question as their provincial governments are. It is quite possible to develop our oil sands as a public utility.

• (1650)

I strongly urge the minister to make every effort to ensure that the Canadian people participate, through their governments, in the development of this project which will have long-term effects on the employment and ability of Canadians to compete with other countries at an advantage because of the natural resources which God has given us.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I rise to speak on Bill C-49. It is a pleasure to follow the distinguished speakers we have heard this afternoon. This bill has been brought forward by the Minister of Finance (Mr. Turner). I would be remiss if I did not state that I hope this is not the last financial bill brought in by this minister. I have read in the press that he faces a difficult decision as to his role in government. I sympathize