

Oral Questions

Mr. Wilson: That is not what I said; the minister should listen.

Mr. MacEachen:—through the various elements of the program. I want to assure the House that whatever analysis has been conducted over the past, projecting into the future shows clearly that Canadian companies will benefit very considerably. They will have a very substantial cash flow in order to help them conduct their exploration activities. The hon. member has consistently failed to notice the benefits which will accrue to small and medium-size Canadian companies from the petroleum incentives program.

Mr. Wilson: Madam Speaker, I wish the minister would listen to my question; clearly that is not the question I asked. My question concerned the relative impact of the National Energy Program on Canadian companies compared to the multinationals.

I should like to quote another figure from the same monitoring survey. It shows that the integrated foreign-owned companies earned 16.7 per cent on their capital compared to the 7.7 per cent earned by Canadian producers, so it is clear the foreign-owned companies are twice as profitable as the Canadian ones. If two of the objectives of the National Energy Program are to encourage Canadianization and to be fair regarding impact of taxes, would the minister explain why the main impact of the taxes is being felt by the largest part of the Canadian-owned segment of the industry, the production side, while the multinationals can spread it over a much broader base?

Mr. MacEachen: Madam Speaker, the hon. member must examine the over-all impact of the program on the Canadian sector of the industry. It is pointless to relate it to a single tax without relating it to the over-all benefits which will accrue, especially from the petroleum incentives program. I am satisfied that under the NEP a typical small or medium-size oil and gas company will be in a considerably improved financial position in the period from 1981 to 1983 as a result of the petroleum incentives program. I am satisfied of that, and that is the main consideration the hon. member must take into account as he evaluates the over-all impact of all elements of the program. If he undertakes that evaluation carefully, it will lead precisely to the conclusion I have stated.

● (1420)

Mr. Wilson: Madam Speaker, possibly the minister would enlighten the people of this country, as well as many of his backbenchers who are asking the same questions I am asking. The fact is that Canadian-owned companies are proposing to spend much larger portions of their budgets outside this country in direct response to the National Energy Program.

I would like to return to my first question, Madam Speaker. I said the main impact of the new taxes under the National Energy Program is totally on the production end of the business with no new taxes on the downstream, that is, the marketing and refining side of the business. Clearly, if the government was striving for self-sufficiency it would be

emphasizing production by having the least amount of taxes at that end of the business and putting more on the downstream side. My question to the minister is this. In view of the fact that he has not answered any of my questions relating to fairness, self-sufficiency or Canadianization, would he make a statement during the debate on Bill C-54 explaining to Canadians why it is that in each of these three objectives of the National Energy Program the tax policies he has set out are totally contrary to the objectives of the National Energy Program?

Mr. MacEachen: Madam Speaker, the hon. member and I obviously disagree very definitely on the impact of the National Energy Program. There will be an opportunity to debate these taxes in detail when they are considered by the House in Committee of the Whole. I hope I will be able to convince the hon. member at that time that he is mistaken in his totally unjustified conclusion.

The fact of the matter is that an analysis of the cash flow of a typical Canadian gas and oil producer demonstrates clearly that as a result of the National Energy Program the over-all cash position of these Canadian companies, of medium and small size, not heretofore eligible for depletion allowances or super depletion, will have their situation improved considerably. In my judgment that is fair. It will assist in the achievement of energy security and will accomplish one of the objectives of the National Energy Program, namely, to enhance the Canadianization of the industry.

REQUEST BY INDEPENDENT PETROLEUM ASSOCIATION FOR
SPECIAL COMMITTEE TO STUDY PROGRAM

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my supplementary question is for the Deputy Prime Minister. This morning the Prime Minister had delivered to him by hand a letter from the Independent Petroleum Association of Canada, which represents the Canadian-owned sector of the business. The first paragraph of the letter reads:

After three months of careful study, we the members of the Independent Petroleum Association of Canada have concluded that the National Energy Program will have disastrous consequences not only for our industry but for Canada's national goal of energy self-sufficiency and, indeed, the over-all economy.

This is in direct contradiction to everything the minister has just finished flim-flamming the House with. In its letter the IPA goes on to make a very reasonable request, namely, that a special joint committee of the Senate and House of Commons be established to study the National Energy Program and its ramifications with regard to Canada's energy self-sufficiency and the Canadian-owned oil and gas industry.

My question to the Deputy Prime Minister is: Will he accept this very reasonable request of the Independent Petroleum Association of Canada to establish this special committee so that all the facts—the government's facts, the industry's facts and our facts—can be put on the table and the people of Canada can be given a chance to judge?