

Petroleum and Gas

Mr. Fennell: Mr. Speaker, we are currently paying more than world price for gasoline and heating oil. What the Hon. Member is saying is inaccurate. It is tax that is going in. On every gallon of gasoline there is 66½ cents tax. It has nothing to do with money going back to the oil companies. It is tax. They say that goes into the PIP grants, and the PIP grants go to Nova Scotia and to the Beaufort Sea. It does not go back to the traditional area of oil discovery.

If we went to world price today, the price of gasoline and heating oil would go down. If that were the solution, I would endorse it because it would assist the consumers of this country whom that Party stands up and says it is defending. They are hurting. They are trying to build in more nationalization. They would like us to have more Canadairs and more Eldorado's, which needed \$400 million to save it. They would like the taxpayers to keep paying these deficits of Crown corporations. As far as I am concerned, if we went to the world price today I believe the price of gasoline and heating oil would go down.

Mr. Skelly: Mr. Speaker, it was fairly entertaining listening to such complete nonsense. I honestly wonder how the previous speaker could stand up with a straight face and present such malarkey to the House. Obviously he has not read *The State of Competition in the Canadian Petroleum Industry*. It simply is not possible to believe the line that the Hon. Member has put forward. Is he prepared to clarify one small point? He mentioned the Japanese were interested in obtaining foreign technology. Did they, like Canadians and like his Party, want foreign equity investment and control along with the technology?

The Hon. Member's Party appears to be interested in bringing in foreign ownership and control as a mechanism for getting our technology. We in Canada developed an enormous amount of technology that has not been held in this country. In fact, it has left. We pay for research and development which multinationals ship out of the country. Will the Hon. Member admit to the House that he was just joshing us, that in fact it is not good enough to have foreign equity investment and control in place of Canadianization—not nationalization, but Canadianization?

● (1610)

Mr. Fennell: Mr. Speaker, we support Canadianization. I did not talk about control. I would be delighted to have equity in foreign corporations that would bring new technology to this country. I agree that not only has multinational technology left the country but Canadian technology has left as well. That is because we have not given those companies the incentive to stay.

What I stated is fact and can be proven; what the Hon. Member stated is socialist rhetoric. We are on the opposite sides of the fence and will never agree on anything, except that PIP grants should be changed. The way the Hon. Member wants to change them and the way I want to change them is different, however.

I do not agree with his stand that we are totally in favour of foreign control; we are not. We are in favour of Canadianization and putting more money from Canadians into equity in this country and getting rid of foreign control.

Mr. Jack Shields (Athabasca): Mr. Speaker, it is a pleasure to participate in debate on Bill C-14, which tidies up some of the action taken by the Government over the last couple of years.

I should like to comment on the remarks made by the Hon. Member for Comox-Powell River (Mr. Skelly). He spoke about the great disservice that Imperial Oil Ltd, for example, has done to the country and chides it for its investment in places like Cold Lake and Grand Centre and says that it is looking for handouts. I have to remind him that when Imperial Oil was attempting to build a heavy oil plant in Cold Lake and Grand Centre, using brand new technology that had never been tried before on a commercial basis, it was faced with an investment of \$12 billion or \$13 billion. That investment equalled the total asset base of the company in Canada. The board of directors had to make a decision on whether to go ahead or to withdraw. Under the National Energy Program, the company could not see the prospect of a return on the original investment which would protect the pension funds that are invested in Imperial Oil or the individuals and trust companies that have invested in it.

I find it difficult to entertain for a moment the rhetoric coming from the left-hand corner of the House when it is obvious that Members there do not present the facts because they do not know them.

I should like to touch upon three measures outlined in the Bill because I think they are important. The Bill points out very dramatically the disastrous effect of the slowdown in the energy industry, particularly in western Canada. The Government was trying to take action without admitting it had made a mistake. Slowly, it has been introducing certain measures to try to get things rolling again. Action in the western sedimentary basin came to a stop. Drilling rigs left the area, small service companies lost everything, small entrepreneurs just starting business lost everything, and an incalculable number of jobs were lost in the process. The ripple effect was felt in communities like Grande Prairie, Fort McMurray, Bonnyville, Grand Centre, Cold Lake, Slave Lake and High Prairie—communities in the northern part of the provinces and many in the south.

The Bill will allow corporations an annual credit of up to \$250,000 that may be deducted from its petroleum-gas revenue tax liability. That is a good measure, Mr. Speaker, as it gives a company a little more cash flow and will spur investment. There is a small reduction in royalties from 12 per cent to 11 per cent. The Bill also tidies up the enhanced oil recovery program that was introduced by the Government.

I am not going to talk too much about the Bill today, Mr. Speaker, but I want to use it to focus on some things that happened under the National Energy Program. I should like to present to the House some alternatives that I think should be