

*Income Tax*

**Mr. Macdonald (Rosedale):** That is not true.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** It did not know all the conditions. The companies, having suckered the ministers into signing the agreement, are now tightening the screws and the ministers don't know what they have committed themselves to.

**Mr. Macdonald (Rosedale):** That is another falsehood, a contemptible falsehood.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** What did the Minister of Finance tell us? He said that the partners in Syncrude, Imperial Oil, Gulf Oil and Cities Service, will be able to write off their investment against their other earnings. This is a strange attitude, in view of the minister's attitude last night. Last night he said, as reported at page 3516 of *Hansard*—

**Mr. Andras:** Are we up to that number?

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** If the minister of immigration and resources—

**Mr. Macdonald (Rosedale):** Now who's excited?

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** If the great Minister of Manpower and Immigration would do a little work on unemployment insurance, he would be much more useful than he is now; he's sitting there and chattering about something he knows nothing about.

As recorded at page 3516 of *Hansard* I asked the minister the following:

In other words, will Imperial Oil, Gulf Oil and Cities Service be able to write off their Syncrude investment against their other operations?

Then I said, "The minister shakes his head."

**An hon. Member:** It rattled. He shook it in the negative.

**Mr. Turner (Ottawa-Carleton):** On a point of order, Mr. Chairman, of course I shook my head. I agree with the hon. member. He said I shook my head, and he could hear it from where he was sitting, the implication being, that I had a screw loose which needed tightening, or something like that. The point is the hon. member did not say whether I shook my head negatively or affirmatively. He cannot read that into *Hansard*. I gave him a clear answer today.

● (2110)

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** Mr. Chairman, let it then be put on the record that when the minister shakes his head from side to side he means yes, because yesterday he certainly shook his head from side to side. However, today it will be clearly on the record.

The minister has now said that Imperial Oil, Shell Oil and Cities Service will be able to write off their expenditures in Syncrude from their other operations. The Canadian people should know that. They should know that the three governments are going to put up together in equity and a \$200 million loan from Alberta some \$800 million. The province of Alberta will put up between \$500 million and \$600 million for a pipeline and power plant. Over a period of four or five years, the three private partners in Syncrude will be able to write off their invest-

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

ment from the profits they make. This means that nearly 50 per cent of that writeoff will be paid by the taxpayers of Canada. That is what they should know.

The people of Canada will probably pay 80 per cent of the cost of the Syncrude project, and they are going to own 15 per cent. The Syncrude partners, apart from the governments of Alberta and Ontario, will own 70 per cent of the project. That is what should be known.

I would like the Minister of Finance, who is a very able financier and very competent in his field, to tell the House if he thinks it is a good deal for the people of Canada through increased prices, loans and grants from the respective governments and through tax writeoffs to put up most of the money, and the three oil companies in question are going to have 70 per cent of the profit.

**Mr. Macdonald (Rosedale):** That is not true and you know it.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** The Minister of Energy, Mines and Resources keeps mumbling in his seat. He is much more effective in his seat than on his feet. I suggest he get into the debate and tell the House what are the facts.

**Mr. Macdonald (Rosedale):** I have told them, but you misconstrue them. You tell falsehoods.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** The other point that comes to mind—

**Mr. Macdonald (Rosedale):** Tell the truth now.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** I am telling the truth. The truth is the minister is so mixed up he would not know the truth if he met it in broad daylight.

**Mr. Macdonald (Rosedale):** You know the truth.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** In addition to all these handouts, the Syncrude partners are going to be guaranteed the international price for the oil they sell, which at the present time is about \$11.70 a barrel. That fits in very well with what the Minister of Finance said this afternoon.

When the Minister of Finance was replying to the question as to whether the revenue from the export tax would be taken into consideration in computing the federal government's share of tax revenue from resources, he said no because the export tax would diminish as the domestic price gradually rose to the international price.

There we have it in a nutshell. I ask the minister is it now government policy to move steadily toward the international price? Surely that is in line with the commitment that has been made with the Syncrude partners. It is in line with the steps the Minister of Energy, Mines and Resources has been taking, that the government has now committed this country to moving steadily toward the international price. The lower domestic price of \$6.50 a barrel, from which the oil companies have made exorbitant profits, is to be abandoned. That was merely a gimmick of the minority government days.

I want to ask the Minister of Finance if he would answer the other question which I asked him. He did not