

Petro-Canada

The corporation shall comply with any directions from time to time given to it in writing by the governor-in-council or the minister with respect to the exercise of its powers.

This means, very definitely, that final control reverts to the minister or, ultimately, to the cabinet. All the other clauses should be read with clause 7 in mind, for the minister or the cabinet may alter or interfere with the operation of this company at any time; and we all know what sort of control parliament has over a Crown corporation such as the CNR or Air Canada.

During the last three years we have seen changes in relation to government and the private sector that none of us could have predicted. Who would have thought, even three years ago, that we would hear a minister of the Crown suggest in this House that we nationalize the CPR, or within the last few months hear a minister of the Crown suggest that we nationalize our grain handling business? Now, in effect, we have a bill before us to nationalize our petroleum industry.

I have said many times that our civil service mandarins, the advisers to the government, are disdainful of trade; they like to deal in the smooth, professional manner in the theoretical arena. The immediate need, surely, is for some plain common sense, for some meaningful consultation between government and industry. The National Energy Board calls for an economically healthy petroleum industry. I suggest the only way to get it is to return to our traditional way of consulting with our partners in the private sector.

In the period 1947 to 1973, total government take in respect of the exploration-production phase of the oil industry's operations amounted to about \$6.5 billion, or almost 30 per cent of gross revenues. These numbers include taxes, royalties, lease rentals and bonus payments made for leases. In 1974, with the introduction of higher royalties, government will take directly some \$2.5 billion, or 48 per cent of the industry's gross revenue. Surely this shows that private industry is carrying its share of the tax load.

As I said before, Mr. Speaker, it appears to me that the government deliberately attempted to destroy a necessary industry. In 1970 the federal government revoked, without prior consultation or notice, the federal oil and gas land order of 1961. For four years the petroleum industry has been left without any basis for establishing the royalties and terms under which half of the exploratory permits of the Arctic are operated, so most of the activity is confined to commitments made years ago. Now we have double royalty rates on gas and oil in the western provinces.

● (1600)

The idea that a national oil company will buy more efficiently than a private company will need some explanation. Our oil industry in Canada has, in a few short years, brought this country from a position of complete dependence on imported oil and gas to its place today, where it is the only developed country in the world which can claim self-sufficiency in energy. The government plans to replace all this with an oil company which will not simply search for reserves and increase Canada's present output, but it will be a tool of the government which will be motivated by political expediency.

[Mr. Hamilton (Swift Current-Maple Creek).]

This bill hits at one industry upon which so many others are based and are dependent on in our energy-gear economy. If the energy situation is to be analysed, I do not expect the government to stop there. I repeat, most countries which enjoy the highest standards of living basically depend upon the private sector to produce and distribute their resources.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in the many years that I have been in this House, and as a result of viewing the trends in government, I have been in a quandary sometimes in reaching a definite conclusion regarding the motivation and the political philosophy of the party now occupying the treasury benches. It says it is a political party, and it says it is a middle-of-the-road free enterprise party, but I have seen over the years a very heavy intrusion of the hand of the state in the economy.

There is no question today that this administration is deeply imbued with the spirit of socialism. It has participated in a number of industries. As a matter of fact, with the development of the Canada Development Corporation the government seeks to enter into many facets of industry, not only in this country, but through the Canada Development Corporation it seeks to spend Canadian money in participation in industries abroad. Isn't that something?

Now we come to what I consider to be an act which quietly seeks to establish a national petroleum corporation, namely, Petro-Canada. The only thing is that the government has not disclosed, either to its membership or to the people of this country, the full scope of this bill. I am sure not ten members opposite have read the objects and powers of this bill. For instance, they do not know that the bill will authorize the government to enter into the business of generation, distribution and sale of electric power beyond the power of the Northwest Territories Power Commission and the Yukon Power Commission which they have already set up. To appreciate this, hon. members have only to read clause 3 and clause 6(d). The latter subclause reads, "to produce, distribute, transport and market other fuels and energy". This is what parliament will authorize Petro-Can to do. Mr. Speaker, some time, somewhere down the road recourse will be had to this particular provision and we will all wonder what has happened. The answer will be that in 1975 parliament passed an act which permitted the government to do this.

Parliament and the people of Canada are being asked to approve the creation of a national petroleum corporation. But what is its purpose? Is it to swell the ranks of the public service of Canada? That is bound to be the first conclusion. Just watch the salary scales of the executives of a corporation of this kind. Will they fight inflation? No, they will set inflation. Has anyone looked at the salary scales of executives of Canada Development Corporation? I invite members of the NDP, who were such strong advocates of the CDC, to look at the salary scales of the executive officers. Of the 14 highest salaries, not one last year was under \$27,000. The chairman and the deputy chairman made \$40,000 plus, and earn more than the minister.

Some hon. Members: Shame!