

These are technical amendments to the act designed to allow Canadian energy companies to increase their Canadian share ownership. I have already said that I think they will have very little effect and that they have been gutted of their real power because they do not apply to existing shares. We in the NDP will vote against the bill because it is mainly cosmetic. It will have little influence on the over-all degree of private Canadian ownership. Rather than tinker with share percentages of private companies, we advocate a greater role for public ownership and stress a greater roll for Petro-Canada.

I should like to expand on this just briefly. In the last 1.5 years, \$6.5 billion has been spent to increase Canadian ownership of oil and gas production by about 4.5 per cent, to about 30.5 per cent. As I said, anywhere from about 65 per cent to 70 per cent of the industry is still foreign owned, and perhaps 70 to 74 per cent foreign controlled. This is a strange method of Canadianization. People want Canadianization. Why have this strange method of grants to companies which will pretend to be more Canadian?

**Mr. Fulton:** It would lose its donations from oil companies.

**Mr. Waddell:** Perhaps that is correct. If it really wanted to offer Canadians a vision of patriating the oil industry as it patriated the Constitution, it could do so. I think Canadians want it.

The nominal corporate tax rate for the petroleum industry is supposed to be 36 per cent. However, because of the tax concessions given to this wealthy industry, its effective federal tax rate has been only 10 per cent for the period from 1974 to 1980. This compares with a federal income tax rate of 18 per cent in 1980 for a married taxpayer with two children who earned an income of \$25,000. Some of my colleagues are required to return to their ridings and face average taxpayers such as married persons with two children paying effective tax rates of 18 per cent. These people see oil companies paying an average rate of 10 per cent, with parliament agreeing to give \$6.5 billion to oil companies this afternoon. This is pretty obscene from the standpoint of an average taxpayer. We have to sit here day in and day out listening to hon. members, especially those in the Conservative Party, screaming, shouting and crying for the poor, poor oil companies. Our hearts bleed for them.

One should look at how other countries handle foreign ownership and control. For example, in Great Britain, the British National Oil Corporation has first claim on a 51 per cent share of oil production, and its purchase is negotiated at market prices. BNOC may offer participation to joint-venture partners including foreign-owned firms, but it retains control of all projects. It does not have just a 25 per cent equity, it has control. In Norway, Statoil, the government oil company, can take up to a 70 per cent interest in any block of land it does not already hold. Statoil takes this interest after a find, but before development, and it makes no payment for past exploration expenditures.

There was another change to the original National Energy Program. When industry was up in arms about Bill C-48 at

the hearings, the minister said that the government would pay them for past exploration expenditures. The government caved in on that, but it did not cave in on native rights or environmental changes. It caved in to the big companies which wanted Petro-Canada or the government to pay.

**Mr. Taylor:** What about property rights?

**Mr. Waddell:** My friend refers to property rights. He should look at the giveaway of property. He should remember who owns the oil and gas in the country. Canadian people own the oil and gas in the country, and he should not forget it.

In Australia, foreign companies are allowed to explore, but only Australian and naturalized foreign investors can produce energy resources. To qualify as "naturalized", a foreign company must have 25 per cent of equity owned by Australians and a majority of Australians on its board of directors, and a public commitment to increase Australian equity to 51 per cent.

• (2150)

If you remember what I said about Eric Kierans in his article, he said that Ottawa was terrorized by Washington. He said that he thought of Ottawa in two ways; the capital of his country and the breeding grounds of fears and haunting visions of what Washington may do. Those constant bureaucratic nightmares make Ottawa less of a capital and Canada more of a satellite of the United States. That was not said by a screaming socialist but by a former minister of that government.

The industry in Mexico has been nationalized since 1938. What is the situation in Canada? Here we are seeking 50% Canadian ownership by 1990 as a goal. That is almost laughable. It is too little to late and it is too slow and unimaginative. Although there is a larger role for Petro-Canada, it is not the predominant role. It is the fifth oil company in this country—not the first, but the fifth. There is a requirement for 50 per cent of Canadian ownership but not control. This means that you can still have control in New York or Dallas to obtain a production licence on Canada lands. We give Petro-Canada a 25 per cent carried interest in Canada lands only. Previous owners are to be compensated for the back-in.

The Minister of Energy, Mines and Resources (Mr. Lalonde) told the *Globe and Mail* on June 20, 1981:

The new regime is more favorable to foreign investment than in virtually any other country in the world.

There it is. Through their past policies the Liberals have put us in this mess of foreign control of our energy sector. They are now proposing to get us out of it by this half measure. Petro-Canada will play second fiddle to the Domes and the Novas. It will leave the petroleum sector to be controlled by private companies. This is not in Canada's energy security future and it is not in the public interest. In the near future a few large Canadian oil companies will be so prosperous that they will begin to take over non-petroleum interests and expand into other areas of the economy such as coal and solar energy, and other areas like shipbuilding and so on.