

Canada Oil and Gas Act

Mr. Hopper, president of Petro-Canada, when asked those questions, said that there are really no companies for sale right now. So it should be made quite clear to the Canadian people that Canadianization, or lalondization as I call it, does not include right now public takeovers and public ownership. It does not even include Canadian control. That is why I call it "lalonding", because even after this bill is passed and the provision for a 50 per cent Canadian ownership in frontier lands before production is allowed, is in effect, it will still be possible to have control from New York or from other parts of the United States where it has always been.

Let me give you two examples. The previous member for Winnipeg North Centre, before the present member who is in the front row of our party, the first leader of our party in the House, J. S. Woodsworth, used to go around the country with a blackboard, I am told, and he used to explain, through figures on his blackboard, what was really going on. I cannot bring a blackboard to the House of Commons, so I ask hon. members to bear with me when I give a few figures to illustrate my point. I will try to go slowly and make it very simple.

Let us take the case where Imperial Oil and Petro-Canada under this new scheme, if it does not change but goes through as it is, were to go into a project 50-50. Remember that 70 per cent of Imperial Oil is owned by Exxon, the largest multinational oil company in the world, and Petro-Canada, of course, is a government-owned oil company. If there were to be 100 shares in this consortium of Imperial Oil and Petro-Canada, Imperial Oil would take one-half and Petro-Canada would take the other half. I said that Imperial was approximately 70 per cent foreign-owned, which means approximately 30 per cent Canadian-owned. If the Americans laid claim to their share of the 50 shares taken by Imperial, they would get 70 per cent of 50 shares which would be 35 shares, and the remaining Canadian portion would be 15 shares. Then the 50 per cent of 50 shares of Petro-Canada, since it is 100 per cent Canadian owned, would be classified as Canadian.

● (1640)

In order to take advantage of this new act, the Canadian ownership rate is established in a white paper by the Petroleum Monitoring Agency. Judging by that standard, all Canadian-owned shares are classified as Canadian. If we take the 15 shares of Imperial and the 50 shares of Petro-Canada, it would give us a project with 65 per cent Canadian ownership and about 35 per cent foreign ownership. So, it would qualify. We would have 50-50, Imperial Oil and Petro-Canada, and suddenly we have a Canadian project which can produce, even though Imperial will control 50 per cent. I do not call that Canadianization; I call it lalondization. It is the first example of lalonding.

I should like to give a second example which will make it even worse. Let me take a case where Imperial goes in with 70 per cent. It could be Shell, Gulf, Texaco or any foreign company which the government does not propose to touch. They did not win in cabinet or whatever. The government did

not have the courage to interfere with the foreign companies. It is still taking all the flack anyway, so it might as well have interfered with them. Returning to my example of Imperial with 70 per cent and Petro-Canada with 30 per cent, it would still qualify for a production licence.

That is strange, but let me explain how it works. We must remember that Imperial is 70 per cent owned by Exxon; 70 per cent of 70 shares would be 49 shares or 49 per cent. The Canadian content of Imperial would be 30 per cent of 70 shares, which would be 21 shares or 21 per cent. Of course Petro-Canada would be 100 per cent of 30 shares, which would be 30 shares, or 30 per cent. The result would be that this project, in which Imperial has 70 per cent of the action, under the new scheme would be 49 per cent foreign-controlled and 51 per cent Canadian controlled. Therefore, it meets the requirements. It is another example of "lalonding". It gives the illusion of Canadianization, but in reality, as was pointed out in my dictionary definition, we would have a consortium controlled by a foreign multinational.

I would ask subsequent Liberal speakers to challenge my figures. I see the parliamentary secretary indicating no. I gather my figures are unchallengeable.

Mr. Lalonde: Don't go too fast.

Mr. Waddell: The minister said that his other chief gem in this bill is that the Crown would get a 25 per cent interest, the radical measure which incensed the members to my right. I ask the minister to read about a little deal which the Government of Canada entered into in 1945 between His Majesty the King and Imperial Oil Limited for the Norman Wells project in the Mackenzie Valley in the Canadian Arctic. In that project, which was a voluntary scheme, the government took 33 per cent. Now, under this radical scheme, which is not a voluntary one, it will take 25 per cent. This is another example of lalonding. It gives the illusion of doing something, it gives the illusion of a progressive policy, but really nothing is being done at all.

This bill affects the NDP concern about multinational oil companies, that they do not operate all the time on the basis of the Canadian national interest. The minister should read some of the literature written about these oil companies. For example, there is the book entitled "The Seven Sisters", which was written by Anthony Sampson. I recommend it to all my friends in the House. The evidence is clear that they do not always operate in the best interests of a national country, to put it mildly. We have seen it in Canada. The hon. member for Oshawa (Mr. Broadbent) raised it in the House when he brought forward the example where Exxon had an agreement to take Canadian technology from the tar sands and to take the technology from Imperial. There is nothing in the bill which deals with the transfer of technology. There is something in the bill which deals with a fair opportunity provision for Canadian industry, but it is not enough. When that oil runs out we want an industrial base for Canada. That must be examined in committee.