

*Canada Oil and Gas Act*

The opposition parties put a lot of work into amendments to Bill C-48, Mr. Speaker. Of course, the government did accept eight changes. It changed the bill in eight ways, but then we must ask who benefited from those changes. You can bet it was not the native people of northern Canada, it was not the governments of northern Canada it was not the northern environment and it was not the small businesses in northern or southern Canada; predictably, the large corporations benefited. Changes were made for their back-in clauses, royalties were reduced and tax-escape clauses were introduced. All the changes were to help the large corporations, mainly foreign corporations operating in Canada's north. Of course, when one thinks about it, what could one expect from a government that refused even to go into the north and talk to those people who were to be directly affected by this legislation?

● (2110)

One of the myths which is perpetuated in this House almost every time someone from the Tory party stands up to speak is the extent to which we need this foreign investment, that it is absolutely mandatory for foreign companies to become involved in our oil industry. The surprising thing is that Canada is unique in the world. Canada is one of the only oil producing countries in the world that has not taken bold steps to control and own its petroleum industry. We are unique. We are a world leader. We have sold out more than any other country in the world. One can take a look around. Great Britain has taken a major step with its British National Oil Corporation. This corporation has first claim on 51 per cent of the share of the oil production off Great Britain's coast. Its purchase is negotiated at market prices. The BNOC may offer participation to joint venture partners, including foreign-owned firms, but it retains control of all projects. I think it is important, as my colleague, the hon. member for Vancouver-Kingsway, indicated, that it may change control, not only ownership, but certainly control must be the important thing.

**Mr. Crosby:** Sell it all.

**Mr. Riis:** Norway now has new gas finds off its north coast and substantial deposits off its western and southern coasts. In Norway, Statoil, the government oil company, can take up to a 70 per cent interest in any block of land that it does not already hold. Statoil takes this interest after a find but before development, and makes no payment at all for past exploration expenditures. Yet we hear a howling and a yowling from the Tories, particularly, saying that this particular Bill C-48 is an expropriation bill. It takes from the oil companies. Takes what from the oil companies? Does it take the natural gas and oil from the oil companies? I think it begs the question: who is it that owns that oil and gas now? Of course it is the people of Canada who own that oil and gas. We are simply saying that it is time that we developed these resources ourselves and that the benefits stayed in this country.

What about Australia? Certainly Australia is recognized as being one of the free enterprise countries of the world, but foreign companies are allowed to explore there. However, only Australian and naturalized foreign investors are allowed to

produce energy from the resources, even in Australia. What about Mexico? We import oil from Mexico. Mexico took care of its situation there many, many years ago, back in 1939, and has nationalized its oil company.

Yes, we are a leader. We have sold out this strategic resource more than any other producing country in the world. We in the New Democratic Party are not very pleased at that prospect, and we feel it is time that major steps were taken to obtain control once again over that particular resource.

Let us go back to the myth that foreign oil companies are required to bring capital into this country. I think that we cannot overstate it. My colleague, the hon. member for Vancouver-Kingsway, has mentioned many, many times that the oil industry policy in Canada results in a net export of capital out of Canada. Our oil industries are net capital exporters. They do not bring money into the country, in spite of all the glossy ads that we see taken out in our national newspapers, again to justify what no other country producing oil and natural gas has accepted. Net capital outflows between 1975 and 1979, the last years for which we have statistics, amounted to \$2.1 billion. If one were to add the dividends and interest payments that also left the country during that same four-year period, we would find that a total of \$3.7 billion flowed out of Canada, a net export of capital of \$3.7 billion.

Surely that should put to rest some of the arguments that we cannot do it ourselves and that we depend upon foreign investor in this particular sector. I will be the first one to say that we ought to welcome foreign investors and expertise of any kind. But surely it is time that Canada took major steps to ensure that this strategic resource is understood and controlled by Canada.

It is a sad day when people ask us, "How much natural gas do we really have left? How much oil do we really have?" It is sad when we have to respond that we do not know because we do not control it. The oil companies know how much natural gas and oil they have under their leases, and they are not telling each other. They are certainly not telling the rest of Canada. I think it is a sad day when such a strategic resource is controlled in a fragmented way by foreign capital.

Another myth, of course, is that the national energy policy is resulting in a major Canadianization of our industry, a major step toward Canadianization. I think it is important that we continue to emphasize that 65 per cent of our industry remains foreign controlled. It is something that, again, we in this party simply will not accept, and we will keep fighting until that percentage point is considerably reduced.

Another myth we keep hearing about is that the PetroCan Company of Canada is becoming too powerful. Even with Petrofina acquisitions, PetroCan ranks as Canada's eighth largest oil producer and Canada's third largest natural gas producer. Up to this point, we were quite proud of that. Unlike our Tory friends, we feel proud, for example, when we drive into our PetroCan stations.

I must say that when I go into the various stations around my riding and ask the operators how they are doing, they are