

I fear this government is attempting to wrap itself in the cloak of motherhood in regard to Bill C-48—Canadianization—and hoodwink the Canadian people into believing its actions are in the national interest, that a back-in clause such as Clause 23 is a normality. It is not; it is Jesse James without a gun, Mr. Speaker.

We do not build a healthy petroleum industry by punishing those who risk venture capital and are entitled to a fair return on their investment. A government should be a leader, not a "backer-inner". Many of the free enterprise small Canadian oil companies are going to feel the whiplash of this legislation, particularly Clause 23.

Our problem in this country, in my view, is not with foreign ownership or foreign control; our problem is not just with the flight of capital in the form of dividends, interest and earnings; our problem is not that the west is getting rich at the expense of the east. Our problem remains the same as it was in 1973. We are running out of conventional oil. We are running out of crude oil extracted by conventional methods, mainly in Alberta which accounts for about 85 per cent of Canadian production.

As we run out of oil what steps are we taking to develop alternate sources? What steps do we take to advance technology and venture capital so desperately needed to develop our tar sands? As we run out of oil what positive measures does the government envision to alleviate the crunch which will surely come because we are still dependent on OPEC or foreign oil?

The government looks to Canada lands, it looks to Bill C-48 and Canadianization, and it looks to the Beaufort Sea. All these things are very worth while, but in my view we are putting too much emphasis in that direction. Can we bring them all on stream in time?

Bill C-48 proposes to regulate the oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act. It also directs itself to Canadianization, and Motion 23 relates to that backing-in formula I just mentioned.

Canadianization is a very desirable thing. I gainsay there is not one of the 282 of us who sit in this House who is not for Canadianization. But what has been happening with this government is not Canadianization, as I view it. It is not supportive of the free enterprise system as we know it. This government has been consistently sliding down that slippery road to socialization and this bill embodies that slide; as a matter of fact, it smacks totally of the first chorus of the full melody of nationalization.

Since I have been in this House I have had the opportunity to understand what has been happening to this great country of ours—a slow and steady creep to the left; more and more unilateral government control. This has come about by increased use of closure to muzzle free speech, the use of the Official Languages Act for crass political purposes, the increased use of orders in council to control public inquiry, such as in respect of VIA Rail, and unilateral ministerial decision such as the proposed dumping of radioactive soil on a military base.

### *Canada Oil and Gas Act*

**An hon. Member:** Who wrote your speech?

**Mr. Stewart:** I did, and I wrote it better than you could.

Canadianization to me does not mean the ownership of the oil industry by the state. I would just like to quote from *The Globe and Mail* of Monday, March 16, 1981. It states:

The business has steadily become statist, no matter how distasteful that may be to the private enterprisers—

Those are good Canadian private enterprisers.

—who work the oil patch. Public rather than private objectives have become fundamental to the corporate actors.

The article goes on to state:

Last October's National Energy Program shows how far the federal government is willing to go in its policies. No significant area of industry activity is left untouched . . . federal involvement in the industry is rapidly becoming institutionalized and more bureaucratic as the Department of Energy, Mines and Resources expands its empire to implement objectives set by the NEP.

I might add, they are socialist objectives. Finally this article states:

Questions can be raised about how the industry will be changed in the longer run. The most serious question concerns the fate of the entrepreneur with a small company, limited capital and unlimited optimism. Big government likes to work with big business; federal bureaucrats are more likely to be happy dealing with the giants that know their way through the system than with small fry who do not have a road map through the corridors of power.

Ownership by the people of Canada is the important thing here, and there is a great difference between that and state control. That is why we on this side champion the cause of the issuing of shares of Petro-Canada to every Canadian so Petro-Canada is owned by individuals, not by the state.

If there are any companies in Canada that are abusing the industry, then control them by taxation or incentive, not by nationalization. If the government wants to Canadianize the petroleum industry, it can easily accomplish this goal through use of the carrot and not the stick. It can easily accomplish it through the tax system by making it more attractive for Canadians to purchase stock in drilling and exploration ventures, by a layer approach to taxes on capital gains, earnings and profits.

Bill C-48 is supposed to give us oil self-sufficiency, but will it? Of course not. Hundreds of drilling rigs, according to statistics, have left Canada. Millions of dollars worth of foreign investment has been cancelled, and a lot of Canadian dollars are going abroad. The tar sands projects have been postponed. Does this smack of energy self-sufficiency? To me it smacks of idiocy.

Instead, the government's answer was to purchase Petrofina. It purchased a string of service stations and paid double what the firm was worth, \$120 a share instead of an acknowledged \$60. These figures are not just according to me; they are according to the president of Petrofina who was flabbergasted that the government of the day paid twice the company's worth.

Will this deal give us more barrels of oil, more discovery? Not on your life, Mr. Speaker. We gave Petrofina \$1.5 billion, and that is capital fleeing this country at a time when we can