

*Petro-Canada Act*

**Mr. Waddell:**—told the CBC "Journal" on February 9, 1982—the hon. member should know Jack Gallagher; he is a good friend of that party.

**Mr. Dingwall:** You and Tommy Douglas.

**Mr. Waddell:** He is a good pal. Mr. Gallagher had this to say:

Canada has lived and continues to prosper as an exporting nation, and there's nothing very different about oil or gas or wheat or anything else. If we can prove that Canada has a major surplus of oil, then there's no reason why we won't and can't export part of it.

There it is, Mr. Speaker, the same old pattern. The consumer and taxpayer give grants—grants instead of super-depletion allowances—to Dome and the company looks for oil to export. So again Liberal Canadianization, which is the main thrust of these bills, hoses the consumer and taxpayer. The government will grant a company up to 80 per cent of its exploration costs, and what does it get in return? A 25 per cent interest. For example, the government puts up \$40 million for a project and gets 25 per cent ownership, whereas the private company puts up \$10 million and gets 75 per cent ownership. What kind of deal is that? I ask even my friends to the right to examine that kind of deal. They are keen to have PIP grants and so on, so what kind of deal is that?

I address this part of my remarks to the Minister of National Health and Welfare. Wouldn't she like this money? The federal share for PIP grants in 1981-82 is \$940 million; \$1,040 million in 1982-83; \$1,150 million in 1983-84; \$1,480 million in 1984-85; \$1,850 million in 1985-86. That is a total of \$6,460 million from 1981 to 1986.

**Mr. Lalonde:** On a point of order, Mr. Speaker. The mathematics of the hon. member are always very interesting, but I suggest his research assistant has provided him with the wrong speech. We have a bill which deals very specifically with the PIP grants, which bill is called the Petroleum Administration Act. Today we are debating the Petro-Canada Act—P-e-t-r-o-C-a-n-a-d-a—and I would invite my hon. friend to talk about this bill, which provides for an increase in the capitalization of Petro-Canada, the creation of Canertech and the creation of Petro-Canada International. I submit his speech is completely out of order.

**The Acting Speaker (Mr. Dionne (Northumberland-Miramichi)):** The minister was very specific, but I am not sure it was a point of order.

**Mr. Waddell:** Mr. Speaker, the minister was once termed a brilliant minister, but he has one brilliant fault. If he would listen a little bit, he would see how things fit in. He just cannot see beyond his own views. The point is this, Mr. Speaker, and I ask the minister to listen; \$6.5 billion in PIP grants is the basis of this scheme. This first bill is a minor part. Instead of giving the oil companies \$6.5 billion, if that money were given to Petro-Canada, they could then move in and take over not Petrofina, but one of the major foreign oil companies, like Imperial Oil. That would be real Canadianization. A greater

role for Petro-Canada would lessen our vulnerability to private oil company blackmail.

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One hears the argument that new taxes or less generous allowances will drive investment out of Canada. It seems to me that this argument forgets about one fact; that is, we have great potential for finding more oil in Canada. I invite hon. members to look at the situation in Norway and Britain, in the North Sea. For example, Norway has a more onerous tax regime, but the companies are still in the North Sea. Britain has a more onerous tax regime, but the companies are still there. We say that if the companies want to go after off shore oil, let them go after the off shore oil in Hibernia and the Beaufort Sea, but do not give away wheelbarrows full of public money with no guarantee that we would get equity and control. There should simply not be more giveaways to the oil companies.

I think the issue is even bigger because it does involve all the ramifications of Canadianization. As at the end of the first half of 1981, foreign ownership of oil and gas revenue was between 65 and 70 per cent. Foreign control was between 70 and 74 per cent. The assets of the oil industry have risen 359 per cent, from \$14.6 billion in 1973 to \$52.4 billion in 1980. The capital gains implicit in the growth have been mainly collected by foreign shareholders. We have permitted in this industry what no other industrialized country would permit, namely, foreign control of strategic commodities, oil and gas.

Who is responsible for this mess? The Liberal Party of Canada, with its continuous continentalist policies enacted by successive Liberal governments, is responsible. It even admits it. The minister, speaking in New York on November 18, 1980, said:

—I doubt that Americans would tolerate anything like 50 per cent foreign ownership in any major industry—let alone a vital, basic industry like oil and gas.

Yet the Liberals have tolerated this for a long time. In 1974, the Prime Minister (Mr. Trudeau) campaigned on a promise of 50 per cent to 60 per cent Canadian ownership for all new energy projects. That was another broken promise, just like the cynical promise of cheap gasoline in the 1980 election campaign. But now, in 1981 and 1982, these same people who offered Canadians that policy in the past are offering a policy of Canadianization. Therefore, one must very carefully consider what they want to do with Petro-Canada and what they want to do with Canadianization.

The problem with Canadianization, as the Liberals define it, is that it is both too little and too late, and it is missing a great opportunity. This is the point I was trying to bring forward to the minister. Petro-Canada is there; why do we not use it? If we were enacting this bill with regard to Petro-Canada, we would use the bill to make Petro-Canada in fact the leading member of the oil industry in Canada.

In order to make this case, I think it is necessary to define public interest in energy. I say that the public interest in energy is to ensure a secure energy supply at reasonable prices.