

Canada Oil and Gas Act

could have a licence with the condition that certain improvements had to be made within a prescribed period of time, otherwise they would have to vacate and the licence would be given to someone else.

We could go further and, indeed, we have gone further. We could tell them that when they make a find we will set the rate of production, where the product will be marketed and at what price it will be sold. Then, as is done with most other industries, by adjusting the economic rent and royalties associated with such endeavours we could tell the industry how much profit it can make.

I make a comparison with the lumber industry. Royalties on lumber are adjusted to compensate for cost of production and world price. The companies are really operating on an incentive rate of return which is usually 15 per cent to 25 per cent. Such adjustments can readily be made because we know what the world price for oil is and we know the basic cost of production. The economic rent could be adjusted to make sure that the companies had a rate of return sufficient to permit them to raise the capital required to undertake the ventures that need to be undertaken. At the same time we would make sure that there would not be any windfall profits. If we want to accelerate these projects, we could build the procedure into these regulatory arrangements.

Instead, the government has chosen to go the route which is more consistent with the new type of Liberal philosophy. I am confident that I will not convince my hon. friends opposite that there is a new type of Liberal philosophy; but we all know that there are millions of people outside this House who sometimes view what we are doing by means of television, so those people know.

I should like to discuss this Liberal philosophy with respect to economic nationalism and behaviour. It is a kind of new collective economic philosophy and, at least in the area of energy, it is an attempt at a planned market economy instead of a free market economy.

The government has now decided to teach individual Canadians what their priorities are. We are now all shareholders in the great energy industry. Regardless whether our priorities are consistent with that, we are shareholders in a high-risk and sometimes low-yield industry. Canadians have never shown much interest in investing in energy, Mr. Speaker. We would be an energy poor country if the initial exploration and development in conventional areas had had to be financed with Canadian money. On the whole, Canadians are very lazy and it took the multinational companies who had more faith in our energy prospects than we have to build up the industry. We are great savers, we put money in the bank and like to buy Canada Savings Bonds, but we are not great risk takers. The government has now decided that we are going to be risk takers. Because the government wants us all to be equal, it wants us to share all the profits from these great ventures. In fairness, like the New Democratic Party the government holds that if you share in the profits then you have to share the risk. Now we are all shareholders in this new and important sector of our economy.

I cannot understand why the NDP are so upset about what the government is doing. They complain that the wages of the average worker in this country have declined in relation to inflation. The reason for that, Mr. Speaker, is that the worker is no longer just a wage earner but a shareholder. The government has taken a bite out of his pay cheque and put it into the energy sector. It spent \$1.4 billion to buy Pacific Pete in western Canada. Just recently a Liberal member celebrated the opening of the first Petro-Canada gas station in eastern Canada. The minister was there too in his hard hat, full of joy, gasing up the first car and giving away a tank of gasoline.

There have been Petro-Canada gas stations in my constituency for the last three years, Mr. Speaker. If you fill your tank at the Petro-Canada station at Fort St. John, you find that the price is three cents per litre more than at other stations. In my riding, Petro-Canada has assumed the role of price leader, formerly the role of Esso. The price is about 12 cents per gallon more than at other gas stations.

An hon. Member: Shame.

Mr. Oberle: When the president of Imperial Oil appeared before the committee, he said: "We cannot wait until Petro-Canada takes from our shoulders this horrendous burden of being the price leader. Our shareholders are rubbing their hands with glee, waiting for Petro-Canada to become the price leader, because our profits will go up."

Wages have gone down because the government spent \$1.5 billion to buy Petrofina. It did not buy new oil; it did not advance the prospect of energy self-sufficiency by 1990 because it bought a bunch of broken down service stations in eastern Canada. If you wanted to paint the country red, you would begin with the service stations because there is one on every corner. We now have all kinds of Petro-Canada service stations. If hon. members in this House worry about the telephone calls they receive from people complaining about the Post Office, about some of the other programs and the other direct involvements of government, they should just wait. I already have the experience. The Petro-Canada service station is in the neighbourhood. I am now receiving phone calls from my constituents. They are asking, "Why is it that Petro-Canada's price is three cents a litre more than Esso's price? Why did I not get any warranty when I had my generator fixed in the government's service station?" Now, fellows, prepare yourselves for it! That is the next problem you will be facing, because you cannot have one without the other.

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The government is taking these bites out of everyone's pay cheques. It should be little wonder to all of us that we are no longer keeping pace with the rate of inflation, because the government is now investing our money in the energy sector. How is it doing this?

Let me then turn to the provision in the bill which is known as the 25 per cent back-in. The government has made a regulation, reflected in this bill, which states that any company operating on federal lands—federal lands being the Northwest