

Petro-Canada

sector with regard to the oil and gas industry in this country.

The poll taken last year proved conclusively that the bulk of the Canadian people feel that the foreign controlled multinational corporations have fleeced them. They have shipped 50 per cent to 60 per cent of our oil and gas out of the country at low prices. They have brought us to the point where today we face dwindling resources and the possibility of being unable to meet our needs, and they have now put the gun to our heads and said that we must come across on their terms or they will not help us out of the mess in which we find ourselves. If Petro-Canada is going to have an effective role in meeting this situation, this will not be done by giving it some peripheral role up in the Arctic, or in a joint venture in which it has 10 per cent or 15 per cent or 25 per cent equity.

● (1630)

There are at least two things which Petro-Canada must do if it is not going to be merely a farce and a charade. First of all Petro-Canada should take over one of the major oil companies and operate it. That is the only way it is going to get into the promising oil bearing formations. It is the only way it is going to get refining facilities. The company which would be most logical is Imperial Oil, which has had generous leases given to it in the Arctic and the southern part of Canada by this and other governments. It has the refineries, and it controls interprovincial pipelines which could transport the oil.

If the government is really serious it should get Petro-Canada to take over one of the major oil companies and give the oil industry some competition. It could guarantee to the Canadian people that there would be oil produced and distributed in this country on the basis of the well-being of Canada, and not on the basis of making profits for Exxon or any of the large multinational giants.

Instead of taking over a large company the government keeps on subsidizing. We subsidize Imperial, Gulf and Cities Service by tax concessions and guaranteeing them an international oil price, and by putting up part of the equity capital. We subsidize the Interprovincial Oil Pipeline Company by guaranteeing it against loss if it builds a pipeline from Sarnia to Montreal.

The country is getting a little fed up with these entrepreneurs who read us lectures about "standing on your own feet", "no government intervention", "no government subsidies", "welfare bums", and "unemployment rip-off" in the unemployment insurance plan, but the moment there is an election in the offing they are the first people to the trough wanting subsidies, tax concessions, protective tariffs, quotas—

Mr. Gillies: They should not get it.

Mr. Douglas (Nanaimo-Cowichan-The Islands): But they do get it, and have got it from successive governments, decade after decade. If the private enterprise sector of the economy is anxious to develop the oil and gas resources of this country, then the people in it should not be asking for the concessions they get. If they are not prepared to do it they should get out of the way and let the people of Canada do it for themselves. That is why I say that if Petro-Canada is going to have any effect at all, if it

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

is going to change the picture in Canada with respect to the discovery, development, refining and distribution of oil and natural gas, it has got to nationalize one of the major companies.

After listening to the hon. member for Saint-Hyacinthe (Mr. Wagner) asking the government to nationalize the dredging industry in Canada I can say that maybe the Conservative Party would not think it is such a terrible thing to talk about nationalizing the oil industry.

The second thing which I think Petro-Canada must do, if it is going to be of value to the Canadian people, is become the sole importer of oil in this country. There is no reason at all why it cannot be the sole purchaser of oil. It would, of course, have to distribute it through the channels which at the present time are in the hands of private companies, but the oil should be imported through a Crown corporation.

The tragedy is when the government, in the interests of the people of Canada, tries to help the people and calls upon the private sector to co-operate in doing so, and the private sector rips them off. There is a very good example of that in this morning's newspaper, and it has been apparent to many of us for weeks. Ever since the government initiated the compensation payments program the major oil companies have been shifting their purchases from Venezuela, which was one of the best sources of supply over to Middle Eastern countries. They can get \$1.30 more per barrel by taking oil from the Middle East rather than Venezuela.

An hon. Member: Another example of government incompetence.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It is another example of the greed of the oil industry.

Mr. Clarke (Vancouver Quadra): It is commonsense.

Mr. Douglas (Nanaimo-Cowichan-The Islands): To rip off the Treasury of Canada to the tune of \$1.30 a barrel on millions of barrels of oil is commonsense? If that is commonsense, then God help us.

Mr. Knowles (Winnipeg North Centre): It is not "cents"—it is dollars.

Mr. Douglas (Nanaimo-Cowichan-The Islands): That is a deplorable attitude. For the oil industry which has had the benefit of these compensation payments to use the loophole of switching its purchases from Venezuela, which has been a good supplier and co-operated with us all through the embargo, over to the Middle Eastern countries for the sake of \$1.30 a barrel, is deplorable. We import 800,000 or 900,000 barrels per day, and some 60 per cent of it comes from the Middle East. In my opinion this is reprehensible.

It is interesting that according to this morning's *Globe and Mail* officials of the Department of Energy, Mines and Resources admitted:

... that the facts as provided by the Energy Supplies Allocations Board, which runs the compensation program, do seem to suggest that not only have some oil companies discovered a profitable loophole in the program, but that they seem increasingly to be taking advantage of it.