

Petroleum Administration Act

It is only by encouraging small and large Canadian-owned and controlled firms and by our greater use of Petro-Canada as an agent of energy policy that this can be done. The Canadian people asked the government to increase the role of Petro-Canada in the last election. Greater Canadian involvement in Canada's energy field will enhance the chances of attaining energy self-sufficiency in the decade ahead.

Responsible private and public Canadian firms will ensure that Canada gets the energy it needs. The goal of Canadianization will be attained in a number of ways. It is important to point out some of these because I feel this debate has served to underline the confusion in which members of the opposition find themselves. Members of the official opposition would characterize the Canadianization aspect of the national energy program as confiscatory, which it clearly is not.

Spokesmen for the government have stated quite clearly that the terms for acquisition of any oil company would be fair and equitable. Further, members of the Progressive Conservative Party have repeatedly stated that the national energy program would supplant private investment with massive public involvement and that the program is too interventionist. For his part, the Minister of Energy, Mines and Resources has indicated this government's preference for the bulk of the industry remaining in private hands. I strongly endorse this point of view, keeping in mind the importance of the Canadian oil and gas industry coming under Canadian control.

Members of the New Democratic Party see the Canadianization program as not going far enough. They would like to see the government nationalize at least three of the largest oil and gas companies in Canada. I ask them, why stop there? If we are going to come up with the billions necessary to do this, why not spend a few billion more and go after all the rest?

Opening this debate last Friday, the hon. member for Vancouver-Kingsway stated, as recorded at page 4955 of *Hansard*, that it would be sufficient for the major multinationals to sell off enough shares to bring the level of Canadian ownership to 50 per cent while keeping control of the company in Houston or London or some place else while at the same time taking advantage of some of the more generous incentives offered by the national energy program. I point out, however, that the essential elements of the petroleum incentive program are available to companies which are not just owned but are also controlled by Canadians.

On the one hand, hon. members opposite accuse us of confiscatory policies of nationalization and, on the other hand, some other opposition members accuse us of being soft on multinationals. This may go to prove one thing,—that the aim of this government is right on. To achieve that aim the government has taken a balanced and fair approach to solving the vexing and, indeed, embarrassing problem of foreign ownership in the resource sector.

The government wants to encourage private investment in the oil and gas industry. This is the objective of a number of incentives for individuals and corporations to invest in our energy future. But there is a role for public participation, and on this point I would like to raise a question with our col-

leagues in the New Democratic Party. Speaking to his own motion last Friday, the hon. member for Vancouver-Kingsway stated that his party would move to acquire control of the three largest foreign oil and gas firms in Canada. He spoke of a concrete commitment to do this. I ask, then, where the government would find the estimated \$20 billion to \$25 billion necessary to compensate these companies fairly for their assets. Is there a concrete commitment to wave a magic wand to find this money? Asked, by the Solicitor General (Mr. Kaplan) to clarify this point, the hon. member merely stated: "My policy would be to force Imperial Oil to give control to the federal government". This policy gives no room to private investors, as does our policy. It is the belief of this government that private industry, together with a reasonable degree of public involvement, can be a useful tool for the development of energy policy.

If hon. members want to see a concrete commitment, they need only look to the national energy policy to see that this government will ask Canadians to participate in the Canadianization of the oil and gas industry through a Canadian ownership account. This account will be self-financing to ensure that the money to acquire one or more of the multinationals will be found. Contrast this policy with that of the NDP, which seeks to apply a measure of force here together with a wave of a magic wand there in order to come up with a crippling sum of billions of dollars. This whole approach reminds me of an editorial cartoon drawn during the 1968 election campaign by Duncan MacPherson. In it the then leader of the New Democratic Party is pictured gazing into the sky at an object shaped curiously like a pie. The object is entitled "NDP policy". Now, 12 years later, if one looks into the sky, that pie in the sky is still there.

However, Canadianization does not mean merely the acquisition of one or more of the multinationals. It means encouraging investors to continue to seek new supplies of oil and gas for Canada's future energy needs. The petroleum incentives program will provide incentive payments to Canadian-owned and controlled companies. Over the next few years, companies with 50 per cent Canadian content and control will receive payments of 10 per cent of approved costs for exploration of oil and gas anywhere in Canada. For development of these resources an additional 10 per cent will be paid on approved costs. For companies with a 75 per cent Canadian interest this payment will be raised to 20 per cent.

Development of Canada lands will be facilitated through incentive payments to any company searching on these lands. This payment will be to 25 per cent of approved costs. Canadian companies will, of course, be favoured by additional payments. Further encouragement will come from the provision that companies working on Canada lands must have at least 50 per cent Canadian ownership. To ensure that Canada lands remain under Canadian control, the Crown will retain a 25 per cent interest in any development on these lands through the agency of Petro-Canada.

Canadian companies will be favoured in the granting of any new natural gas exporting licences. Any small natural gas