

source, faster and cheaper. They were based on the assumption that Canadians as individuals want a chance to share in the wealth of this nation.

I shall again put forward these alternatives in list form, not that they will do any good so far as the minister or the government are concerned but because perhaps anyone reading these remarks will know that there are other and better ways to achieve what the government has in mind as an objective. The first alternative is one which I do not think I would have accepted had I been in the minister's place, but I believe it to be better than the position taken by the government. There are five international companies which control the bulk of the oil industry. Why not buy one of them? This would at least give us the advantage of having in place an organization with 40 or 50 years experience behind it, and it would cost a little less than the amount involved in this proposal. That is one alternative; I do not intend to argue it. It is an alternative which could have been considered and it would have been better than starting from scratch to try to build, in the next 15 or 20 years, the know-how one must have in this complex and risky business.

The second alternative is the one on which I spent the most time on March 12. It is the position of Her Majesty's *Loyal Opposition*. The concept is that we have five large, international oil companies doing the bulk of the work in Canada today; and I am not putting down the independents, smaller companies. The position of the Progressive Conservative Party is simple. At present market prices, with the simple provision of an inducement in the budget, in two or three years the Canadian people could own 60 per cent to 70 per cent of the shares of the five main companies, and if there were any profit in this risk venture it would go to the Canadians as individuals who had put their money into it. That was the Conservative position. I think it is in harmony with the philosophy of the Canadian people who want to enjoy the revenue from our bountiful resources. At the same time, it would give us the advantage of the skill and know-how of these companies if we owned them, we would have the advantage of their international connections, and I think we would have a better chance of putting some pressure on these companies in a positive way on behalf of Canada in order to obtain oil faster and cheaper.

On this second alternative I think I am prepared, as a partisan, to travel the country and explain it to the people. I know the Canadian people will respond. Millions of people in the work force, or people who have money to invest in this type of thing would like an opportunity to share, as individuals, in the wealth of this nation. This would allow people who are trying to build up estates to know that their investment would grow with the country and would not be tied to the fixed type of investment.

So I have no apology to make for the Conservative alternative which I think would be much better for the people of Canada. It would be much better in dealing with the immediate challenge of making sure that five years down the road we have enough oil to keep our industrial complex working and enough natural gas to give us a start on a large petrochemical industry of the future.

There are other alternatives, some of which are completely in the hands of the government. A third alternative

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would be for the government to get off its seat and promulgate the oil and gas regulations dealing with land in the north, without spending a dollar and without waiting another hour. These regulations were put in abeyance in February, 1970, with the result that there have been no regulations available for the companies in the north and offshore since that time. If the regulations were enacted, then these companies, if there is oil there—and there is—could move with the knowledge that the government had laid down the terms in respect of section 58 of the land regulations. The regulations were originally set up in 1961 and they were agreed to by all companies, large and small.

These regulations would give the people of Canada approximately 50 per cent to 60 per cent of the oil and gas found in areas outside the provinces. This, of course, represents the bulk of our oil and gas reserves. The regulations were based on the fact that the government of the day, and all governments, would stay off the backs of the oil companies until there was a tax flow. In return for staying off their backs in respect of all these innumerable government charges, we would expect not 15 per cent of the revenues from the value of that oil and gas but 50 per cent to 60 per cent.

Why does the government not stick with those regulations? The companies agreed to them and I think they would still go to work on them if the government kept off their backs until they had a cash flow. That is one thing that could have been done. It would at least turn loose these five big companies and the smaller companies who want to develop their properties under federal jurisdiction.

The fourth alternative on which I have spoken many times over the past few years has to do with the question of finance. There is no question now that what has been true for the last five years is no longer true. It once needed \$400 of investment to find a field which would produce a barrel of oil per day. It now costs \$10,000 dollars, as a minimum, in the north; and if we are dealing with the present method of financing in the tar sands, it costs about \$15,000. In other words, it needs an investment of \$15,000 to obtain a barrel a day productivity in the tar sands, where a few years ago \$400 would have sufficed on the prairies. This new fact of capital-intensive industry means that we have to apply new types of financing. The proposals I made in committee and in the House are acceptable to all the large companies. They will come in immediately under those proposals. The only person who loses under my proposal is the one who collects his money by way of interest. We simply get rid of the debt fast, there is a quick pay-out and then there is more money for the provincial governments, the federal government and the companies.

● (1530)

I have said this before and I will repeat it. It is passing strange to me that the only government in the world which has accepted this concept of financing large, capital-intensive industry is a socialist country, the United Kingdom. Under the system there, a company which has invested \$2 billion or \$3 billion in a risk enterprise in the North Sea receives an immediate write-off of 175 per cent. This means, in effect, that the government receives little or nothing until the debt is paid, and neither does the