

It is that very business attitude that we are really talking about in Motion No. 21. We do not object to Canadianization and we think that Canada lands should be developed by companies that are 50 per cent Canadian owned or controlled. But there should be no back-in arrangements, there should be no change in the deal, and there should be no expropriation without compensation. We must not confuse the concept of Canadian ownership with outright nationalization. We have our own Canada. This clause of the bill proposes to nationalize in an improper fashion. It seizes, it expropriates without compensation, an asset built up by an explorer. Oil companies are used to paying royalties and are used to paying corporate tax. That is the proper role of government. Pay the necessary requirements of operating a state by taxation. But this is not taxation; this is seizure of assets without compensation. That is not the way it should be done. Seizing someone's asset to pay for whatever it is, is the wrong way to go about it.

May I call it six o'clock, Mr. Speaker?

**Mr. Deputy Speaker:** It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

#### AFTER RECESS

The House resumed at 8 p.m.

**The Acting Speaker (Mr. Blaker):** Order, please. When the House rose at six o'clock the hon. member for Mississauga South (Mr. Blenkarn) had the floor.

**Mr. Blenkarn:** Mr. Speaker, when we rose for dinner I was speaking about the effect of the national energy policy on this particular clause and the amendments before us. At this point I want to make it absolutely clear that my party believes fervently in Canadian ownership of the resources and of the businesses of Canada. We are prepared to work with any sensible program which will achieve that end. But the program which is the subject of Motion No. 21, particularly that which refers to Clause 27 of the bill, is a proposal not for Canadian ownership but for nationalization. This particular program has cost my constituents—and I do not know about the constituents of Mr. Speaker—a great deal of money, hardship and fear. The program has resulted in a devaluation of the Canadian dollar and in runs on the Canadian dollar. It has resulted in the high interest rate policy of the government. It is part and parcel of the fact that home owners must pay 20 per cent on their mortgages. It is part of the problem which every farmer in the country faces when he wants to borrow money to buy some cattle. It is part of the problem faced by every small-business man. Many hon. members of the House were small-business men before they were elected to Parliament. They know, as I know, that there are very few businesses which are able to show on their balance sheets earnings of 20 per cent or better year after year. The high interest rate policy caused by such provisions such as Clause 27 of the bill has resulted in

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fear and a flood of capital leaving Canada. This is what small-business men are paying for. What are they receiving for this?

Is there exploration activity under the terms of the bill, when conceivably the government can back into a 25-per cent interest in an oil or gas development? One can only back into something if there is something to back into. The effect of this legislation is to discourage and to impair development. It has already resulted in the flight of capital from Canada, not capital flowing into Canada to explore, create and develop in the north. This flight of capital is shown in the unwillingness or inability of Imperial Oil to complete the Cold Lake project and in the unwillingness or inability of Alsands to put together its tar sands project in Alberta, despite the energy agreement with that province.

There has been a flight of capital from Canada because capital will not be invested in a country where there is a possibility—and indeed under this bill the certainty exists—that the government will take 25 per cent of any find, virtually without compensation. That is exactly what is stupid about it. I say to the parliamentary secretary that the 25 per cent Crown right is only worth something if there is something there to make it worth it. As Canadians, we now own 100 per cent of all the oil and gas under the ground, under the sea, in the Canada lands, or wherever. What will we do about it? It is not doing us any good in terms of the gas pumps, the petrochemical industries or exports, because it is not available to be pumped, burned, used, consumed or sold. A 25 per cent interest in that is equally useless unless it is developed.

In a sense, this clause of the bill goes to the heart of the National Energy Program. It discourages development, initiative and exploration because it seizes from those who would explore and develop a quarter of what they create. What we have today is worth nothing. It is under the tundra. It is only worth something if people will go in there and drill in the snowbanks and marshlands, or build islands in the Beaufort Sea. Unless that is done, what may be under the soil is worthless.

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No other government in the world says that it will seize 25 per cent of what people create. Other governments operate in a sensible fashion by taking a royalty, or maybe a percentage of profit royalty, and there is nothing wrong with that. They may want acreage payments for the right to drill, create or explore on that land. That is their approach. They have a corporate tax. The approach of this government is to seize the asset itself, take away the incentive to create, and then expect creation to take place.

The socialist approach will not work, Mr. Speaker. The approach of this government is not working. The danger and the problem with this approach is evidenced by the number of oil drilling rigs that have already left the country. It is evident in the state of our dollar, in interest rates. While there has been a great deal of Canadianization over the year, that has been accomplished by buying out properties owned by foreigners, not by the creation of new wealth.