

Canada Oil and Gas Act

consider this. We know that all the retail service stations owned by ownership companies, individual shares, have gone through an enormous change, from being full service service stations to self-serve service stations. That process has been painful for many individuals who were service station lessees, but the change was made. If those retail service stations were all owned by a Crown corporation, how could that change take place? If they happened to be unionized, it would be impossible under the terms of agreements. If they were not unionized and had associations, they would be able to put incredible political pressure on the government of the day. Whichever government it might be, it would be impossible for that change to occur, and we would therefore still have in place tens of thousands of full service service stations operating inefficiently. Because they would go back to the government, the government would just increase the rates by way of a regulatory mechanism, and the individual at the end of the chain would still have to pay.

● (1630)

There is a practical objection that relates to Petro-Canada, however well-meaning the individuals may be. Based on my experience of viewing Crown corporations, the Post Office and departments, however good the individuals are, I just do not believe they have the creativity. The oil industry is one area that needs creative people.

In this land we have hundreds of thousands of square miles of land which has to be swept over by very sophisticated seismic equipment. We need to apply high technology to analysing the data. Money has to be put in to drill a well which very often comes up dry.

I do not believe that Petro-Canada can meet that technology. It is with great regret that I must say that Petro-Canada did about \$1.1 million of research and development last year. That is a drop in the bucket. It means absolutely nothing in the oil industry. If it were not for the multinational corporations, many of which have shareholders in Canada and operate around the world, we would not be even close to self-sufficiency.

Mr. Waddell: Your pals.

Mr. Thacker: I have nothing against the multinational corporations. They are a natural evolution, just as is the United Nations, and must evolve into bigger spheres that are necessary for us to operate on this globe as an interconnected network. I see international taxation in a form we can all agree with, one which does not affect sovereignty, coming in the long run. We need the multinational corporations. They permit a collection of skilled, creative people who can cope with these huge projects that are now running into multibillions of dollars rather than just a few hundred million.

Petro-Canada bought three existing companies, all of which were searching for and finding oil and all of which were paying income tax. We need to ask whether PetroCan has paid any income tax. It has not. It has deferred all its income taxes. The consumers, the taxpayers of Canada, have had to put up with

deficits, all of which were financed at 19.35 per cent in order for this company to take others over at a cost of \$1.5 billion.

Let us look for a minute at how important ownership is. Leases are not granted unless a provincial or federal government puts up the land. There is no drilling unless drilling licences are given. The rate of production is determined by the provincial conservation boards. The federal government sets the price and decides whether there is any export. It is the most highly regulated industry that we have.

Under those circumstances ownership becomes more like a banker's operation with a rate of return. We are now in the process of purchasing back foreign-owned companies. In the past, the outflow of money from Canada had been by way of dividends, averaging 2 to 3 per cent per year. Now that we have bought them out, we hold debt dollars and the interest on those debt dollars is 19.35 per cent. That is an incredible disservice to the Canadian public.

What are the multinational corporations doing with the money we give to buy them back? They are putting it into solar research, hydrogen research and the new wave technology. When we get to the end of the oil industry, which will come within the next 15 to 20 years—and it will be gone in a conventional sense—we will have to turn to the multinationals and buy new wave technology from them. We will be in exactly the same boat we are in now.

Far better than buying out the oil industry which is now at its tail end, why not create corporations and give tax incentives to Canadians to get into the new wave technology so that when it strikes we will be ready? People will come to us for the new wave technology rather than our having to buy it in the future.

When we get down to the bottom line, we need to ask some hard questions about Petro-Canada. Has it added any new oil? It has not. Any wells that have produced new oil have always been in partnership with the multinational corporations. Has it added new technology? It only spent about \$1 million in research last year, and I do not see any increase in that figure.

Has it paid a return to Canadians on the \$1.5 billion put into it? It has not given us one cent of return. It is one of these great emotional, nationalistic ideas that are hard to control. Perhaps it would be beneficial if it were for new wave technology. However, to get carried away with nationalism and buying back an industry that we totally control, one which was only costing us 2 to 3 per cent by way of dividends compared to 19.35 per cent to buy them back, is not doing a service to Canadian citizens. On many occasions I have sat down with people at kitchen tables to explain the background. They think it is absolutely absurd. They would rather see Parliament and the Government of Canada putting its money into the new wave.

I appreciate having had the opportunity to say a few words on this motion.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I want to see a new energy regime finalized at the earliest opportunity. New legislation in this area has been a long time coming. I hope that in the very near future we will have legislation that