

*Government Orders*

lay-offs are still anticipated in the upstream and downstream sectors.

As an individual I have a great affinity and a great feel for a major industry that involves lay-offs and for any remedial measures that may be considered in order to alleviate the situation.

• (1645)

If I could be permitted to give a comparison it perhaps would help the hon. member see the motivation behind at least where I am coming from and I am sure the party. In Newfoundland we have the northern cod moratorium. Fishing is a major industry for that region of Canada. The northern cod stocks have all but disappeared from Newfoundland. Essentially 22,000 people have been laid off. They are on a cod moratorium. That could be called, in anybody's definition and particularly in a country with a labour force as low as 13 million people, 22,000 in a province with roughly 300,000 workers, a massive lay-off.

I would also say parenthetically that in response to the moratorium, which is only a piecemeal measure and should be expected from a government that essentially has mismanaged the fishery, the compensation will go on for as long as the moratorium exists as far as I am concerned and as far as my party is concerned.

In this case the government has two parallel actions which are going in different directions. While the government is paying compensation to 22,000 northern cod workers and other thousands with the most recent package on the one hand, on the other hand we have 103 foreign vessels off the Grand Banks of Newfoundland illegally fishing and the government will not do anything to stop them.

The government is saying: "It is too bad about the fishery. We are going to compensate you, but by the same token we are going to let foreigners catch fish illegally. However if you catch fish in Newfoundland, in your own waters, we will make sure that you go to court, your boat and belongings are seized and that you will be prosecuted and probably sent to jail". In that case we have two policies going in the opposite direction from the same government.

In this case it would seem the government does realize that because of the potential of massive lay-offs on the west coast of Canada and on the prairies in the Calgary

area and in the oil field area of Canada, there should be a more parallel action on the part of the government. This bill is the impetus behind it.

It is possible, in relation to the oil and gas industry, that opening it up to foreign investment would mean an important source of technology, knowledge, and more important, investment capital. As I say, it is a balance and we have to draw the line somewhere.

It was interesting that we were criticized by the present government for allowing foreign investment and for looking at foreign investment in a certain way. Now the government is opening up the doors a little bit to foreign investment in order to help an industry that is in difficulty. In this particular case I personally have no difficulty with that.

The line is drawn, irrespective of the policies of the predecessors or the leaders and Prime Ministers of my party in the last 100 years. Times are changing and we have to look at the circumstances as they are now and apply remedial and legislative action to ensure that we get the best bang for the buck in the industries that we have. If that involves some measures with respect to foreign investment and legislation then so be it. We have to go along with that.

The oil and gas industry in the last few years is giving a return of 4 per cent to 5 per cent. That is not a very attractive rate. I want to quantify the difficulty it is in. That does not even keep up essentially with the interest rates that are paid on blue chip investment. There is no question about it, we have some great difficulty here.

The total oil and gas revenue and cash flow was reduced by \$130 million for every 1 per cent increase in the exchange rate. On top of the low productivity and the low return, we are being very adversely affected by the change in the exchange rate. Given that the industry reinvests a large portion of its cash flow into new exploration and development, the high Canadian dollar until recent reductions had been at least partly responsible for the low rate of exploration and development in Canada. Investment capital is desperately needed in the industry and one way to get it would be precisely through what this bill is doing, relaxing the foreign ownership rules. However, it is recognized by all that this would be a short-term benefit. The industry would have to live or die on its own, depending on what happens after the combination of the economic downturn which has not