

Canada Oil and Gas Act

solar equipment. France has a central program for solar which is much like AECL in this country. It is completely independent of the ministry.

We could do some of those things as well, Mr. Speaker. We could adopt the soft path technology which would create more jobs.

We hear criticism about the lack of leadership in the Department of Energy, Mines and Resources. David Brooks of Energy Probe has told us about that. The Auditor General's report has said the same thing about the department when it concerns anything beyond technical assistance in regard to conservation. It says it has assisted our agencies, departments and Crown corporations inadequately when it comes to the management, aims and objectives necessary for the establishment of solar energy.

Getting directly to the bill, Mr. Speaker, I admit that for the sake of explanation and effect I might have strayed just a little but during my remarks, but I felt it was necessary.

I think we should not just let the public worry about these things but should try to bring up matters that interest and concern them. That is what this place is all about, at least in my view. Some critics of this bill have claimed that it will pauperize the oil companies. Some have said that it is not too bad in the end, but it is sure hard on the cash flow. I do not know whether we can totally agree with those claims. I know that big oil and energy companies, big companies of all kinds and, in fact, small companies, can cry wolf a lot.

● (1610)

The Globe and Mail in its report on business on December, 18, in an article by Jeff Carruthers, headed "Profitability increases for oil and gas industry" said that profits were up 40 per cent in 1980. That is pretty good, a lot better than in many other industries. I quote from the article:

In fact, the ratio of internal cash flow to shareholder equity (measured as a percentage) for the petroleum industry increased by 7.4 points to 42 per cent while the same ratio for all other non-financial industries declined on average to 27.3 per cent.

While things may not be all that terrific in some industries the oil or energy industry does not fall into that category. Its companies are doing very well, thank you very much. In addition, in the last five years they have had sufficient profitability to export, in profits, interest, dividends and various kinds of earnings, perhaps not even including various professional fees, something like \$3.5 billion.

We in this party reject the notion that the multinationals are short of money. We agree with the general proposition that they are doing extremely well. This bill is not going to change anything very much as far as their profitability is concerned.

Our party believes we should nationalize the whole industry. There is no point waiting until it is all gone before we do that. If you only nationalize 50 per cent or bring in public ownership, public control, or whatever euphemism seems best or that you are most comfortable with, you have to do it reasonably rapidly or there will not be much left. We know there is no

point in nationalizing zero. That is what we are heading for by the end of this century.

We agree with Alberta that ministers should get back to the bargaining table. I see the incessant kind of war that has gone on with that province and what has happened in Ottawa from the minister on down. It is something that cannot be tolerated in our society henceforth. Canada can only stand so many tensions of this kind.

I could go into greater detail along that line, but I am not going to do so. I would, however, like to assure those members from Alberta that we in this party think it is time the minister got back to the bargaining table with the producing provinces. Nothing will be gained in terms of this country, and certainly we will not have constitutional tranquility, as long as this festering sore remains.

We hope that one way or another it will be resolved and resolved quickly, but not by giving more deals to the multinationals. If it is done that way, we may have to ride it out. We want to ensure that what ultimately comes about is a fair deal to both parties.

An hon. Member: That is what Alberta wants.

Mr. Rose: Alberta does not want, as some people think, to hog all the investment dollars of the whole of the nation and hang on to them. We have to agree that their share in terms of helping Canadians has been pretty significant over the last few years. They must be given credit for that.

Our energy critic, the hon. member for Vancouver-Kingsway (Mr. Waddell), in his remarks on this bill made basic criticisms in addition to those I have raised. He outlined the fact that he feels that Canadianization, or the attempt to convince people that Canadianization will be advanced through this measure, is a lot of nonsense. Under the new legislation, a foreign-owned company such as Imperial could qualify by taking on a junior Canadian partner. The project could still be as much as 75 per cent foreign owned and qualify as Canadian.

We reject it on another ground. The hon. member for Vancouver-Kingsway mentioned that Norway has a strict requirement on sourcing, that 50 per cent to 60 per cent of all goods and services must come from Norway. There are rigs from all over operating in the Beaufort Sea. We say that the sourcing, the various rigs and anything that goes into the investment of energy production in Canada, should come from Canada, be made and used by and purchased from Canadians, providing these things are made in Canada. We believe this even if it costs 10 per cent more, because that is what this country is all about, having things cost 10 per cent more. To many Canadians it is worth it. Some people say you can buy eggs cheaper in the United States. You can also get a lot of urban crime cheaper in the United States. For many of us, being a Canadian is worth a hell of a lot more than 10 per cent, and we want to continue in that way.

My colleague also said that the 25 per cent back-in or carried interest in Canada land production is less than half of