

*Petro-Canada*

information they can obtain, with the basic fundamental knowledge of geology, and all the information you can get from geophysical gimmicks, will not discover oil until somebody with a God given insight figures out where to punch the hole.

Canada was absolutely helpless in so far as the supply of oil and gas was concerned in 1946. All the big companies that were here in the 1930's got out of Canada in the war years after spending millions of dollars without any luck. We still had to import our oil at that time. One of the last companies to remain was a small subsidiary of an American company called Exxon, or as it was known at that time, Jersey Standard. It had a small subsidiary in Canada called Imperial. After looking at all the tough luck they had during the previous period of 25 years or so, the directors decided they would drill one last well, backing their geologists in one more effort.

One very low level man kept on telling them they were looking for the wrong type of structure. With his knowledge of the formation of the earth's surface on the prairies he told them they should be looking for reef fields. The men drilling that last well on that last desperate gamble at Le Duc pulled out the pipe after going through that reef, and that was the big Le Duc find. From that point on we have found reef fields all over Alberta and in a few places in Saskatchewan. That man is dead today. He had the God given insight to put his finger on something that in retrospect was obvious, yet with all the high-priced help the oil companies had they were not able to figure it out.

There always has to be that person with the insight in each area of the world, so what guarantee has any company that it can get that man in its employ? You never know who he is, because he looks the same as every other human being. One of the reasons we have had doubtful success in the Mackenzie River basin and on the fringe of the Beaufort Sea is that the three top men in Canadian oil development are no longer available. We are relying on the law of averages to find oil and gas. What we need is an individual with God-given inspiration, and what guarantee is there that Petro-Can will find that man? This whole thing depends on a matter of luck, backed up by tremendous resources and all the knowledge you have collected in respect of exploration.

The point I am making is that we cannot say we oppose Petro-Can in principle. All we are saying is that it will involve a tremendous draw on the people's money in order to set up this huge corporation which, in ordinary logic, has no chance of success for 15 or 20 years. Why should we go to all this trouble when we have in place international oil companies which are out looking for oil? These companies are not our enemies in this regard.

We have been lax as Canadians in not looking after our own interests. What we want is the full benefit of our resources, and this involves not only laws to control these corporations that operate in our country, but the ownership of the shares so that we can take the profits. I would suggest, as a very simple and fundamental alternative, that we should change our income tax regulations to allow individuals to claim exemption from tax on an investment of \$500, \$750 or \$1,000 a year provided it is invested in the purchase of the stocks or shares of these big oil companies, to start with, and then of all the other resource companies

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

we want to own. I think that this is a simple alternative for Canada, and a better one.

● (1730)

Just to demonstrate that I am not talking simply as an individual, I will quote the first seven points of a program published last March, a year ago, as the Progressive Conservative policy entitled "Resources for Canadians". It reads:

1. Canada in 1974 urgently requires a comprehensive resources policy.

That we do not have.

2. The Progressive Conservative party in government initiated the northern development policy to open up our resource areas for exploration, set up the National Energy Board to give control and ownership of the transportation of oil, gas and electricity to Canadians, originated the oil and gas regulations in federal lands to protect the Canadian future, and worked with the provinces on hydro power development and transmission.

3. As a result Canada derived great benefits, particularly in terms of non-renewable energy resources. What is needed now is a clear-cut statement of policy by the federal government and the provinces in order that industry and the public can proceed in proper priority to undertake the actions required for Canadians to take full advantage of their resources in the national interest. These future projects have a great potential for Canada not only in material wealth, but in adding to the quality of life of all Canadians in all parts of the country. In short, an imaginative resource policy properly carried out is the main foundation of our development strategy and our life-style for centuries to come.

4. To maximize the benefit to Canadians the Progressive Conservative party believes that as a cornerstone of such a policy for the 1970's and the 1980's Canadians must dedicate themselves to acquiring and holding ownership of more than 50 per cent of the non-renewable resource industries in Canada.

That is what I proposed a few minutes ago.

It goes on to read:

5. A Progressive Conservative government would take the lead in this direction through the establishment of a Resources Canada program. In conjunction with overall national development strategy the Resources Canada program would be directed to this objective. A Progressive Conservative government would negotiate realistic arrangements for the phased marketing of foreign-held shares to accomplish the objective in an orderly fashion.

6. It would also be the aim of a Progressive Conservative government to see such acquired Canadian ownership widely held and steps would be taken to encourage and facilitate opportunities for the average Canadian to participate. Such steps would include appropriate investment incentives for Canadians of modest means.

7. We propose an overhaul of the federal Income Tax Act to provide a "Canadian-firms" policy with respect to resource development.

Those are just seven points out of 22, but they state in an orderly fashion what I have been trying to propose as a better alternative.

The arguments for a Petro-Canada national corporation are only two in number, as I see it. One is that we need some organization in Canada to deal directly with the organizations that exist in other countries. It has been clear for many years that Venezuela, for example, wants to deal with Crown corporations or agencies rather than with big international oil companies. The people of Venezuela have been asking themselves how they can get national sovereign control over their wealth, their oil. Their oil was controlled almost completely by large international oil companies. With the surplus oil in the world over the last 50 years, in effect these companies controlled the destiny