

Canada Oil and Gas Act

That is what is wrong with this bill and the attitude of this government. That is the problem we have throughout the economy of Canada.

The hon. member talked about Dome Petroleum and said they were making piles of money. Their stocks only dropped from \$25 to \$15. An article in the paper this week indicated that, unless they were lucky enough to make a worth-while find in the Beaufort Sea, perhaps their stocks will fall totally out of bed and they will have a serious financial problem on their funded debt.

What we get from the New Democratic Party is the usual drivel. I thought the hon. member for Vancouver-Kingsway took his responsibilities as energy critic for that party seriously. He clearly wants to emphasize their socialist, neo-Communist perhaps, approach to things.

Mr. Waddell: No, no.

Mr. Blenkarn: He says it is not neo-Communist. State ownership controls production and distribution, the hell with individual controls. He says, "Don't let individual Canadians own it; make sure that ownership is in the hands of the bureaucrats." That is what he talks about. That is their policy. That is why the people in Vancouver will tell them what they think in the next go-around. The NDP motion is ridiculous. It is the major reason for our high interest policy, for our unemployment problems, for the flight of capital from this country, for the economic conditions that make things hard on people in Canada. It is this attitude, expressed by the government, egged on by the New Democratic Party, that is a cause of most of the economic problems we face here.

● (1750)

Let us deal with this bill. My friend related the arrangement in connection with Alberta lands; between Alberta and the Government of Canada, and said that Premier Lougheed endorsed this bill. If Premier Lougheed endorsed the bill, I suppose what he was really saying was, "By golly, you'll frighten everybody out of frontier exploration. At least whatever exploration there might be will take place on Alberta Crown lands, not on federal Crown lands".

This bill is dangerous in many ways. What it says is that should someone who has tendered and purchased drilling rights on Government of Canada Crown lands at auction, find something, they will lose a quarter. Sure, they get the money they put into it, the 250 per cent on capital investment as explained by the hon. member for Calgary Centre (Mr. Andre), but in effect they lose the deal. For example, they explore in a frontier area. They use their money. They buy their rights, and they agree to pay royalties. Then, all of a sudden, the government takes away a quarter of the deal. It takes it away without providing any compensation.

A suggestion was made by hon. members in the New Democratic Party that oil companies develop with the people's money. They ask, "What about all these grants we are giving them? What about all these tax allowances we are giving them?" First of all, I have not heard anyone from the oil

industry say that the grants were a wonderful idea; it is the idea of the socialists. More important, they do not realize the enormous risk of frontier exploration. When they talk about the enormous profits of Dome, they do not realize that that company has yet to pump a drop of oil from the Beaufort Sea. Dome has used all its earnings from its interests, from this production in Alberta, all the money it can borrow and all the money it can get in one tax arrangement or another from investors, to pump into the north, and it has not yet been able to get a drop of oil out.

An hon. Member: How to get rich without producing anything.

Mr. Blenkarn: The hon. member says, "How to get rich—" I say to him, if it were such a good buy, then the hon. member from the New Democratic Party would surely have bought some Dome stock with that marvellous increase in salary members have received. Had he done so, he would have suffered the same financial losses that Dome stock investors have suffered.

An hon. Member: Too bad.

Mr. Blenkarn: He said, "too bad". That is their attitude toward Canada. He says, "Too bad about Canada, too bad about investment. We, like the bureaucrats, want to control things. We want to run things. We are the people who can make it go." The record speaks for itself. People cannot get food in Poland and we have to ship boatload after boatload of grain to Soviet Russia. The record speaks for itself. Their attitude is that Big Brother knows best. Maybe these little boyfriends of Big Brother will wake up one of these days.

Let us see what has happened. This bill, which allows the government to back in for 25 per cent of the action, basically for free, has caused us serious problems in the international field, in the money markets of the world. Six nations with OECD, namely, West Germany, The Netherlands, the United States, Belgium, France, and Great Britain, have all protested our handling of their foreign national companies which were invited to Canada to work. Those companies thought they knew the rules of our energy policy. It is the uncertainty of the present policy that creates difficulties. They believe that at one time they could trust Canada but that now they cannot trust us because their assets may be expropriated, seized, without compensation. This concerns them about Canada as a place to invest.

Whether or not that fear is justified, it is there. That is why this year alone over \$10 billion in capital has fled Canada. I emphasize the words, "fled Canada". That is why our dollar has shrunk, and that is why we have to have an interest rate factor 4 per cent higher than the prevailing one in the United States to try to protect runs on our currency. People who look at the attitude of the government, such as that expressed by the parliamentary secretary, the hon. member for Etobicoke North (Mr. MacLaren), take their money out of Canada and place it elsewhere, where they perceive there is less risk.