

Private Bills

our oil resources but all other resources under Canadian control, in so far as we can. This is impossible unless we have tax concessions which would be at least equal to those enjoyed by U.S. companies in our country. So, as the mover of the bill is on the government side, I hope he will keep this in mind and make sure that he uses his not inconsiderable influence to see that there are indeed changes in our tax laws so that Canadians can participate with their own money when they can buy these shares.

It is impossible for us to buy shares in these companies unless we can compete, and one of the reasons that we cannot compete is that the United States, with its 200 million people, has ten times as many people in the market for our Canadian industries. They have a tax advantage, of up to at least 20 per cent compared to Canadians. Of course, this is a bonanza.

The argument that to pass this bill might increase inflation makes me speechless. Quite the reverse is true. Because the oil industry is capable of reducing costs, this is what they are trying to do. They are trying to cut down their overhead, and this saving should be passed on to the shareholders of the company. If the shareholders of the company are to be Canadian, then they will receive a bigger return for the share dollars that they put into the company. Whether or not these two companies, when they amalgamate, will be more active in the exploration field rather than in the speculation field, who can say. The oil business operates under the free enterprise system. I imagine that my friends to the left would criticize this, saying that it should be entirely state owned. I am not one of those who believe that state ownership necessarily improves the efficiency of any industry, certainly not the oil industry where the know-how is in the hands of private development. Had it not been for the private development know-how of the Americans, we would have had no oil industry in Canada. So, I do not think we would be quite fair if we did not give them some consideration, after allowing them to come here and do the pioneering in this industry.

• (5:30 p.m.)

I would oppose any suggestion that we nationalize or expropriate any private enterprise. When this company receives its charter to amalgamate and cut down overheads, I hope it will proceed as soon as possible with the extraction of oil from the Athabaska tar sands. Only yesterday I heard from a man who is supposed to be an expert in this field that there is no need for us to take oil from the Arctic because there are great, known reserves in Alberta sufficient to handle Canadian needs. Apparently the reserves in the Athabaska tar sands are astronomical; indeed, I have never heard a figure of less than 200 billion barrels mentioned.

We are relying entirely on American risk capital at this time, Mr. Speaker, and I feel this is a mistake. Here is a company with a great future and a great opportunity to get into this field and develop the Athabaska tar sands for Canadians. Surely we should be the last people to stop them. Instead of nationalizing the oil industry, I think we should do all we can to put money into this

endeavour. At a time of world need this reserve of oil may well become the lifeblood of western democracy, and surely it is our duty to spend the money, even on a defence budget, to make sure that it is developed. In North America it is far removed from the danger of atomic submarines and is as safe from air attack as anything can be. Surely it is up to us to see that this great reserve is developed as rapidly as possible.

Taking the long view, even looking to the days when war will be no more, we can see that the need for oil will be doubled in ten years and perhaps quadrupled in 20 years, and even with the Prudhoe Bay find we may not have sufficient to meet all requirements. We need the Athabaska tar sands with its 200 billion barrels—and that is a very conservative figure; the reserves would probably run to four or five times that figure if we did more exploration. It is easy to see what is there; great quantities of oil are staring us in the face, waiting to be extracted. It is very high-grade oil which is more expensive than oil taken from wells, but exploration costs are practically nil and the size of the reserve is tremendous: we should not ignore it.

I take pleasure in seconding the motion for second reading of this bill which still has to go through committee where the question of percentage of Canadian ownership will be thrashed out. Then we will have no need to provide this added incentive unless the two companies involved play ball with the Canadian people.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, like some other members of this House I had not anticipated the opportunity of speaking on these oil bills. Some of us were pleased that the bills had been handled in another way and were surprised to find two bills concerning oil companies on the order paper for discussion at this time. Over a period of years I have been concerned about how we should provide for the control of natural resources in basic industries remaining in Canadian hands. It has been suggested that we nationalize industries to achieve Canadian control, that we regulate for Canadian control or, as we did with Panarctic, that we buy for Canadian control. I think most Canadians are of the opinion that it is necessary to ensure that resource industries in Canada are controlled by Canadians.

I have considered the complexities of this company, Mr. Speaker, and I presume that it is really the Canadian Pacific Railway Company, Canadian Pacific has a holding company, Canadian Pacific Investments Limited, they have Central-Del Rio Oils Limited for exploration purposes and under that they have several other direct subsidiaries such as Pacific Oil and Gas and a 9 per cent interest in Panarctic Oil Limited. My colleague read from the Financial Post Survey of Oils, 1971, some of the properties held by this company. I presume they include most of Vancouver Island and a large part of all the provinces. Listed in this survey are some of their holdings in terms of areas in which they develop.

This is not an oil company, Mr. Speaker; it is a company which owns, controls and participates in a very large portion of the development of Canada. Yet we are not