

Canada Oil and Gas Act

capital back before any taxes are collected. This British National Oil Company was created in 1975 and, yes, indeed, from 1975 onward it has been a 51 per cent partner after that private company gets its 175 per cent back. However, there is no participation in leases made before 1975. These were no retroactivity with respect to the British National Oil Company. Only in Canada do we have retroactivity where the state comes in for 25 per cent retroactively with no compensation. That happens only in Canada, not in the United Kingdom, as the minister stated in this House or implied in this House in an attempt to justify this immoral act.

Not only is the government not being honest with the Canadian public and with its own backbenchers, in terms of comparing what we have done with what has been done in the rest of the world, but it has not even informed other members of the government. For example, the Department of External Affairs was quite shocked when it saw the document the same night the rest of the country did on October 28, as was the Department of Industry, Trade and Commerce, because we will be hit with retaliation for our intention to seize 25 per cent of privately-owned assets. If we have not received it yet, we will very soon be receiving a very stiff note from the United States pointing out that it has an act called the mineral lands mining act of 1920 which states that if Americans are treated in one fashion in a foreign country, then nationals of that country will be treated the same way in the United States.

● (1640)

I quote from the act of 1920:

Deposits of . . . oil, or . . . gas and lands containing such deposits owned by the United States, . . . shall be subject to disposition in the form and manner provided by this chapter to citizens of the United States, . . . or to any corporation organized under the laws of the United States, . . . Citizens of another country, the laws, customs or regulations of which deny similar or like privileges to citizens or corporations of this country, shall not by stock ownership, stock holding, or stock control, own any interest in any lease acquired under the provisions of this chapter.

That means a whole lot of Canadians are going to find their assets seized in the United States in retaliation for this seizure of assets in Canada under the provisions of the lands and mining act of 1920, unless the government changes its mind and backs off on this provision, which I think it will have to do.

Also, we are in violation of agreements with the OECD. Member countries are required to notify the OECD within 30 days of the introduction of measures which restrict new investment by foreign-controlled enterprises already established in their territory. We neglected to do that. Therefore, we are in violation of our agreement with OECD. American law compels them to retaliate against Canadian companies in the United States. We are also in violation of the General Agreement on Tariffs and Trade. That is all right, though. We have good friends in the sands of Araby. We can all learn to be the muezzin, and we will be very happy.

Mr. Cullen: Are you still harping on that?

Mr. Andre: I find it absolutely and totally offensive and immoral that the government of my country would act in a way that would win the applause of Colonel Qaddafi.

Mr. Cullen: You are unbelievable!

Mr. Andre: Morality aside, pragmatically I would ask the members of the government to think what they are doing in terms of future investment and Canada's credibility. Think what they are doing to the credibility of this country if they sanction and support this kind of action, the seizure of assets retroactively. It cannot be rationalized, as members opposite have attempted to do, on the basis that because there were tax incentives in the past the Government of Canada has somehow contributed to the exploration and is, therefore, only taking back that which it already paid for. The reality is that the rules under which companies and individuals operated were established. Those were the rules. We cannot now turn around and say those rules which allowed them to make a successful investment are going to be changed, and we are now going to seize part of your assets and become a 25 per cent owner of what you accomplished under those rules.

Talk about credibility! How can anybody trust this government in the future? If a company which received a DREE grant succeeds, it will now be open to having some of its assets seized by this government because of that grant. What is even more offensive is the notion that tax incentives represent a gift from the government to the individual who takes advantage of that incentive.

I do not think of my registered retirement savings plan as a gift from the government to me. I do not view a dollar of taxes not collected as a gift from the government to me. The money does not belong to the government. It belongs to those who earn it. Governments have to collect money to operate those things we decide have to be operated on behalf of all of us, but the fact that they do not collect some money does not turn that money into a gift from the government. To define a tax not collected as a bequeathment is, at least, intellectually dishonest.

I again ask hon. members to think long and hard about the ramifications this will have on our reputation, not just with foreigners but with Canadians. Capital cannot be kept captive. It goes where it is wanted and rewarded. It is not foreign multinationals that are now leaving Canada. All the foreign multinationals are doing is cutting back on their growth plans. All the government has done to them is restrict their growth potential. In some cases it has seized part of their assets, but it is not driving them out of the country. They have no place to go. Imperial Oil cannot go to the United States.

Mr. Cullen: They have a good deal here; that's why they are staying.

Mr. Andre: The hon. member for Sarnia (Mr. Cullen) should be aware of this. The United States is reserved for Exxon, the North Sea is reserved for Esso U.K., and the Middle East is reserved for another Exxon subsidiary. Imperial Oil has nowhere to go. It is stuck here. You cannot drive them