

Before I sit down I wish to say something about the dangers of cutting back and the pattern emerging from this bill and its amendments. The government is slowly going back and gutting this bill. The whole intent of this bill can be gutted by changing the Canadian ownership rate. The crux of the bill is that 50 per cent Canadian ownership must be there before there is production in Canada lands. Canadian ownership is not defined in the bill. In the definition section of the bill it is merely stated that a definition is to come in this act or any future act. But it will be defined in the energy security act, an omnibus bill awaiting debate.

● (1740)

We are seeing pressure being exerted by the U.S. and by the Conservative party, as well as by the oil industry, to change the bill. The government is slowly backing down. I predict that it will back down on the Canadian ownership rate. The other day I demonstrated that Canadian ownership does not mean much without Canadian control. I predict that when they define the Canadian ownership rate, the government will bow down to pressure from the U.S. and from the industry. That has been the pattern.

Here are some of the concessions:

Extension of the life of an exploration agreement to eight years from five—

Extension of the exploration agreement, if drilling is under way on one or more of the wells required to fulfil the pact; a recognition that difficult conditions may prevent drilling of a well in the year it is started.

Allowing for exploration agreements, even where drilling moratoriums exist, with the permit holder not allowed to be active until the ban ends.

Sourcing of Canadian goods, services and labour was changed. Here is another back-down:

The cut-off date for "pioneer production," covering production not affected by this bill, is moved to December 31, 1980, from January 1, 1976—

We will speak about this on the next motion. Here is another back-down:

Deduction of the 8 per cent petroleum and gas revenue tax—

It is now 12 per cent.

—from the profit-sensitive progressive incremental royalty in recognition that the tax is a legitimate expense.

In other words, more tax deductions. Another back-down:

Widening the scope of three-year holiday from progressive incremental royalty to include fields where the discovery of oil or gas is the result of a well started before December 31, 1980, and qualifies as a significant discovery prior to December 31, 1982.

There are more motions to be debated here. There are a number of back-downs in this bill. What we are advocating in Motion No. 22 is that we go up, that we look at the regimes in the rest of the world. The hon. member for Kamloops-Shuswap (Mr. Riis) set this out in great detail. Australia has a tougher regime than Canada, as does Norway, Great Britain and Mexico.

We say that if you are going to give the company 93 cents on every dollar, you should not get a 25 per cent Petro-Canada back-in that is qualified. You should get a 50 per cent Petro-Canada back-in right away. Is that too much to ask if you are going to put in that much equity? Ask my good friend who will

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speak next, the good capitalist, whether he would want a 25 per cent return, if he put in 93 cents on a dollar I do not think so. He would want more.

The Government of Canada is entitled to get more from this if it puts in a 93-cent tax dollar. This is the biggest rip-off you can think of, the biggest giveaway in concessions.

Talk about welfare and welfare grants. Look at the welfare we give Dome Petroleum, which has not produced a barrel of oil. The leader of our party in Manitoba, Howard Pawley, who will be the next premier of Manitoba, suggested that \$20 million be put into a Manitoba oil company. Lyon and the boys yelled that this would be enough only to drill dry holes. However, when Bill Davis buys 25 per cent of Suncor, something we suggested all along, it is great.

Mr. Blenkarn: What's good about it?

Mr. Waddell: Let the hon. member address that when he speaks. He can tell me how bad that is. Canadians are not stupid. They realize that if they are going to put in 93 cents on a dollar for drilling they should get a fair return. Canadians know that the government is going to spend \$4 billion in these PIP, Petroleum Incentive Program, grants. Talk about welfare, \$4 billion in grants going to the richest industry in the country!

My friends moan, groan, bleed and suffer for these poor oil companies, the richest group in the country. They make money hand-over-fist. It is the U.S. oil companies that are pressing President Reagan to have bad relations with Canada. When the Americans realize that, the tune will change.

My friend need not look smug, because he is way behind the Canadian public. He should have thought about that when they put up the Petro-Canada sign. Canadians want a few more Petro-Canada signs. The people in this country are way ahead of the politicians. They want Canadianization to mean, basically and fundamentally, public ownership. The way to do that is not by backing out and giving 25 per cent to Petro-Canada. I ask members opposite, where are your guts? Why not support this amendment and allow Petro-Canada to have a 50 per cent back-in? We could then have a regime right up there with Norway, Great Britain and some of the other industrialized countries.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the hon. member for Vancouver-Kingsway (Mr. Waddell) really indicates to this House and the people of Canada how out to lunch he is. He points out the validity of national oil companies, points out the wonders of Norway, and I suppose he could point out the wonders of the Soviet Union. He can also point out the wonders of Mexico with its national oil company, big oil spills and inefficient operation. That company could not even deliver the 50,000 barrels a day it promised a year ago because it is so inefficient. That is what he would have us become; owned, controlled and run by the state.

Mr. Waddell: For the state.

Mr. Blenkarn: He says for the state. I say it is for the bureaucrats in Ottawa to run, the socialists to run and control.