

Petroleum Incentives Program Act

massive expense. I say to him, Mr. Speaker, he is right. He has no idea of how much bureaucratic work there is involved, and not only work for employees of the Government of Canada. There will be a great make-work project here, and a great make-work project for accountants, for the lawyers, for the clerks and the estimators, as we go through the various forms and requirements of determining whether a company is Canadian owned, 50 per cent Canadian owned, 60 per cent Canadian owned or 57 per cent owned, or whatever ratio is required in accordance with Clause 10 of this bill.

I did not rise to speak on this bill in that regard, Mr. Speaker. I rise because I am very unhappy and very sad for Canadians, that we should have a government that, after about two years since the election, one-half years since the budget of October 29, 1980, with all the things that have happened during that period, should continue to press with this legislation.

It has become evident to every home owner, every farmer, every businessman, large and small, that the cost of this legislation and the cost of this program has and will be borne by Canadians paying, on average, 2 per cent to 5 per cent more per annum in interest on every debt they owe. We can tell you that this program is absolutely inane. It is driving foreign investment from Canada, and it is driving Canadian investment from Canada. We are having to correct our balance of payments by bringing in the hot money from around the world. And the only way we can bring it in is pay more and more in interest rates and pass that across the country to every home owner, to every small businessman, to every fisherman, to every farmer, and to you and to me. Sir, the program is deficient, wrong, inept, indeed crazy.

I thought members of the Liberal Party would have seen what has gone on over the past year and one-half as hundreds of drilling rigs have left the country, as people have taken their money from Canada to the United States and to other parts of the world to invest where they think they can trust the government and trust the economic system. As the governor of the bank said, in August, in order to finance the number of take-overs that occurred last year, principally in the oil industry, he had to raise interest rates deliberately by 5 per cent. We are now expected to carry on with legislation that continues to advocate pressing directly on the major business of the country to that end.

I was a member of the Committee for an Independent Canada. I worked on that committee. Like my constituents, I would like to see business and industry owned by Canadians. In 1970, or thereabouts, approximately 90 per cent of the oil industry was owned by foreigners. Prior to this program coming in, about 70 per cent of the industry was owned by foreigners. There was a Canadian take-over, a voluntary takeover, if you like, of at least 20 per cent of the business in that decade. The minister says that a further 6 per cent of the industry has now been taken over by Canadians. Presumably, if the minister is correct, approximately 65 per cent of the oil industry is foreign owned and about 35 per cent is Canadian owned. The take-over by Canadians of investment in Canada would have continued without this program and, indeed, if this

program were abandoned it would continue without any cost to anyone at all.

We have only to look at our history, to see a company like the Hudson's Bay Company, financed by traders from London, trading into the Hudson Bay. That company is today totally owned, by Canadians. There may be some foreign shareholding, but who cares, it is controlled, owned and operated here, with its head office in Canada.

Let us take a look at the Canadian Pacific Railway. It was financed totally by foreign investments for a while, aside from some free land it got from the Government of Canada, and perhaps a few dollars. Certainly it was financed and paid for to a large extent by foreign investment. That foreign investment has now been repaid and, by and large, the shares in that company are held by Canadians. That is what happens in business.

• (2040)

Canadians would rather own Canadian companies than foreign companies, all things being equal. If I have money to invest, I would rather invest in my own town of Mississauga than anywhere else. I would rather invest in my own country than in some other person's country. That applies generally around the world. Foreigners do not come to Canada unless they think Canada offers better opportunities than their own countries. Generally speaking, if Canada offers better opportunities, then Canadians will stay and invest in Canada.

Unfortunately, that is not what has been happening in the past year or year and a half. As we have seen, very close to \$20 billion of Canadian capital and foreign capital in Canada leaves Canada. That capital leaving Canada has created horrendous balance of payments problems and has meant that every home owner, every fisherman, every farmer and every small businessman has had to pay considerably more for money than his competitor in the United States and, indeed, his competitor virtually everywhere in the world.

Where are we going with this bill? This is a bureaucratic piece of legislation which provides various means of determining whether a company is owned by Canadians and what percentage that ownership is. The bill is presented to us as necessary, because it is patriotic and it is good for Canada to own things.

It has been said that patriotism is the last refuge for the scoundrel. Let us look at the scoundrels who are proposing this bill and at what they are doing to the free-enterprise system. What are they doing? They are not running things in the normal fashion. They are running things by grants from the bureaucracy in Ottawa. Money is paid to companies provided those companies act within the regulations, orders and rules prescribed by the minister at his discretion, as set out in this bill and related statutes. The grants are not for everyone. They are only for those who apply and fulfil the requirements. They are only available if the drilling, exploration or development a company does is deemed by the minister, in his discretion, to be eligible. A company does not necessarily get a grant