

Canada Oil and Gas Act

of the country. We have created a very ugly situation with our good neighbours to the south when we know that without their support Canada would be nothing more than a wilderness in the north.

An article in today's Ottawa *Citizen* reads in part as follows:

Harvey Bale, assistant U.S. trade representative for investment policy, said the United States has recently placed before GATT a detailed list of objectionable "performance requirements" placed on foreign investors by some countries, including Canada.

The article, which was reporting on a meeting of U.S. trade officials in Washington, went on:

All the participants testified that the Reagan administration finds disturbing the different economic philosophies practised by the Trudeau government and by the United States.

The article concluded by reporting that Mr. Bale said:

—the Canadian government practises "economic nationalism" by actively intervening in the economy with policies detrimental to trade and investment flows in the world economy.

We in this party believe that Canada should move at a measured pace to take more control of our destiny and financial enterprises, but we do not believe in moving immediately in an arbitrary manner to confiscate and steal an asset that belongs to some third party. In that we differ from my good friends in the New Democratic Party. We do not believe in confiscating and stealing an asset that belongs to a third party.

Many people, including the Governor of the Bank of Canada, have pointed out that high interest rates today are a direct consequence of the implications of the National Energy Program. Virtually every other knowledgeable economist in this country has said that the NEP is, in large measure, responsible for the high interest rates which Canadian home owners, farmers, fishermen and businessmen are struggling with today.

After months of public hearings, the National Energy Board said quite clearly that, after months of careful analysis of all the data and information at its disposal, it concluded that Canada will not reach self-sufficiency by 1990 and may not reach self-sufficiency in oil by the year 2000 under the existing regime. This evidence does not come from some weirdo Conservative thinker out in western Canada; it comes from the National Energy Board, a government agency.

Another spokesman who drew a direct link between interest rates and the National Energy Program is the Governor of the Bank of Canada. And presumably we can put some confidence in people like the president of the Royal Bank of Canada who says that extremism on either side of the border is counterproductive. He said that what the Government of Canada is doing under the National Energy Program is abrupt extremism, and that it is creating a tremendous aggravation to the financial institutions, both within and outside Canada, that make our economy work. He pointed out that these irritants are most visible in a flow of investment capital out of the country and a drying up of opportunities and security for the future of our young people.

If we want to reduce foreign ownership in Canada, Mr. Speaker, we should be providing incentives for Canadians

instead of asking them to buy Canada Savings Bonds at 19.5 per cent interest in order to help bale the government out and provide it with another few years of security from the eventual and horrendous consequences of an overwhelming national debt. We should stop enticing people with 19.5 per cent interest on Canada Savings Bonds. Hon. members opposite should start paying their own bloody bills in this country—excuse the expletive—instead of burdening the people of Canada with high interest rates. These are nothing more than hidden taxation levied on Canadians because of the government's spendthrift policies over the past 12 years. Hon. members opposite should have to pay the bills. They could start with the most wealthy man in this House, the Prime Minister, who talks about charity and shows none in his own lifestyle.

It is high time we started to consider the damage we are doing to our country and the fact that we are not leaving much of a legacy for our children. Why must the government borrow money now to buy out its 25 per cent interest? After much persuasion from many of the witnesses appearing before the committee, the government was finally convinced that discoveries prior to January 1, 1981, ought to be properly compensated. As I read the bill, the government has now undertaken to provide retroactive compensation for the eligible costs incurred to that date to the extent of 2.5 times a quantity called by some fancy name. Therefore, the government is willing to give the investors whom it is displacing two and a half times the relevant cost. The government has arbitrarily decided what those leases are worth, after the oil and gas has been discovered, of course.

● (2110)

I have to ask why the government does not leave those investors alone? Why is it not enough for the government to operate perhaps 25 per cent of the oil and gas exploration on the Canada lands, without having to take a specific, active interest in every lease, every production licence and every exploration permit that is granted? It makes no sense to me.

The thrust of this amendment which the Progressive Conservative Party is putting forward under motion No. 21 is that, yes, we would be happy to see stress placed on 50 per cent Canadian ownership in any offshore exploration initiatives and in the areas north of 60. We would be happy to see 50 per cent; but we would prefer to see that whole 50 per cent plus coming from Canadian citizens, instead of having them trot down to the bank, sucked in by the ads the government and the banks place in the newspapers to buy Canada Savings Bonds. Why do we not provide a tax incentive program of the form we put forward in our budget of two years ago, a program which would have allowed Canadians a tax shelter on up to \$100,000 of investment in Canadian oil and gas and other risk ventures? Why do we not get the Canadian people involved in the sense that they could feel some freedom of choice and some opportunity to advance at whatever pace of investment they prefer?

Why do we not find ways to encourage more than 25 per cent private participation by Canadians? That is the next point I want to raise. If the Crown reserves for itself the first 25 per