

Canada Oil and Gas Act

My colleagues from Vancouver-Kingsway and the hon. member for Kamloops-Shuswap (Mr. Riis) have clearly shown that present proposals in the bill calling for 50 per cent Canadian ownership are nothing more than a farce. The loopholes are big enough to accommodate a supertanker. A consortium can meet the requirements for 50 per cent Canadian ownership and still be controlled effectively by a foreign-based multinational. Different patterns of ownership and control mean that Canadians could easily have 50 per cent or more ownership; but Canadians would not necessarily have control. This is illustrated very clearly, Mr. Speaker, by the fact that at the end of 1980 foreign ownership stood at 74 per cent, but effective foreign control was still at 82 per cent in the oil industry.

Canadian ownership and Canadian control must go hand in hand and they should be increased to 75 per cent by 1986, as earlier amendments have stated. Amendment No. 22 states that the rate of Canadian public ownership of new projects should go to 50 per cent.

The Tory energy critic opposed the New Democratic Party proposals because he says that these will mean more regulations for the oil industry. As I listened to his speech last Friday, he sounded more and more like a member of the Reagan cabinet in the United States. He appears to support the oil industry in some so-called right to do exactly as it pleases, regardless of the economic consequences for Canada and of our national priorities.

The great hue and cry which he echoes against regulations is really a plea to let the naked self-interest of giant corporations rule in the marketplace. This kind of thinking sees environmental regulations, health regulations, or regulations directed toward any other social goal as a false interference of politics into the sovereign realm of free enterprise.

To listen to the Tories, Mr. Speaker, you would think that the oil industry should operate in some kind of value-free environment, completely beyond the scope of politics. This does not accord very well with the fact that in 1979 the oil companies gave the Liberal and Tory parties some \$721,000 in political donations. To me this does not seem to be a hands off policy.

The Tory energy critic objected to our reference to a capital strike by the oil industry. Last Friday he said, to quote him, that "the New Democratic Party calls it a capital strike." Well, if an employee does not like the conditions in a company and he quits to go to work for another company, he has not gone on strike; he has simply quit. He is exercising his individual freedom. A strike is something else again. As a result of the new energy program, the oil industry is exercising its freedom.

That comparison is ludicrous. Equating the economic power of a huge corporation like Imperial Oil withdrawing its funding for Cold Lake with the power of an individual working person quitting his job is nothing short of ludicrous. But it reflects some of the thinking that we find on the benches to our right.

The Bertrand report makes it very clear that Canada's oil industry has shown a remarkable degree of solidarity in the way it has worked together to gouge the Canadian public. The withdrawal of capital from projects in western Canada over this past year and a half shows a similar tendency. The oil industry is acting in concert and not as a series of isolated and individual companies. Indeed, there has been very clearly a strike of capital.

If we look at the two amendments before us, Mr. Speaker, we see the differences among the three parties. The former energy critic in whose name Motion No. 21 stands, the hon. member for Etobicoke Centre (Mr. Wilson), says, in effect, yes, we favour 50 per cent Canadianization. But the only role he sees for public ownership is to pick up the pieces that the private sector does not want.

Last Friday he called this "picking up the pieces" philosophy the traditional Canadian way. The traditional Canadian way, as seen by the Tory party, involves public corporations taking all the unprofitable operations and private corporations creaming the profits. If there was to be joint ownership of a cow, the Tories would want the private sector to have the part that gave the milk, while the public sector could have the part that did all the eating and required all the attention.

● (1640)

Far from supporting our party's call for 50 per cent public ownership, the present Tory finance critic objected to the back-in provisions by which the Crown could obtain 25 per cent of new development on Canada lands. Several times he complained bitterly that some of these provisions were at no cost to the government or to Crown corporations. But in his speech he completely ignored past concessions. He said nothing about the overly generous grant system by which Canadian taxpayers put up \$4 for every \$1 which is spent by a 65 per cent Canadian-owned company in frontier exploration. Taxpayers through the government put up over 80 per cent of the money for exploration in these circumstances but get only 25 per cent ownership, while the private company puts up 20 per cent of the money and gets 75 per cent ownership. It sounds like a pretty good deal for the private company as far as I can see, but it is not good enough for the Tory party.

In addition to these grants, tax concessions give even more of a break to private companies, so that taxpayers put in 93 cents on the exploration dollar and private companies put in 7 cents. On that basis I cannot see where they can complain about having a 25 per cent back-in provision. In fact, it is too inadequate and we should be supporting Motion No. 22 which calls for 50 per cent.

With that kind of deal the Tories still object to the public's opportunity to acquire a 25 per cent interest, when in many cases it will have already paid over 90 per cent of the exploration costs. Also taxpayers will have to pay compensation for any of the 25 per cent options they pick up, but as far as the Tories are concerned it is too good a deal for the public.

On the other hand we have the Liberals. Their approach is best understood by reading excerpts from a speech given by