

Petro-Canada

company, once it is set up, to be disposed of by the board of directors without any reference to parliament which set it up in the first place. If this corporation is ever going to be disposed of, then surely the only body that can make that decision is parliament. Parliament is the only body that can disestablish the corporation.

I listened very carefully this evening to what the hon. member for Calgary Centre had to say. Again he asked why a national petroleum company was necessary and expressed his view that it was not at all necessary. I should like to know whether he is speaking just for the oil industry or whether he is speaking for the Conservative Party.

Mr. Gillies: He is speaking for the people of Canada.

Mr. Rodriguez: He is speaking for both; they are indivisible.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Anyone who looks at the situation of the oil industry in this country today, Mr. Speaker, and at what it has been over the past ten years, will know why we need a national petroleum company. The real tragedy is that a national petroleum company was not set up 10 or 12 years ago. The hon. member for Calgary Centre said that he wants the Canadian people to participate, but not through public ownership. How can the Canadian people participate in an industry 90 per cent of which is today controlled by foreign oil companies? These foreign oil companies have bought out one by one practically all the Canadian companies and for decades they have been ravaging the resources of this country, exploiting the consumers of Canada and deliberately misleading governments and the public by telling them that we had adequate reserves of oil and there was no danger of our conventional oil supplies running out.

These companies, Mr. Speaker, that are now coming to the government and saying we have only enough oil to last until the early 1980s are the same companies that appeared before the National Energy Board a few years ago and declared that we had an abundance of oil and natural gas to last until the turn of the century. Therefore, they said, they wanted more permits to export oil and gas, and they received them. They have been able to exert enough pressure on governments to export 50 per cent of our daily production for the last 50 years.

Mr. Gillies: With the permission of the National Energy Board.

Mr. Douglas (Nanaimo-Cowichan-The Islands): With the permission of the National Energy Board, whom they misled in the same way as they misled the government, ably assisted, may I say, by the policy of the former Conservative government back in 1960 and 1961 which set up the Borden line through the Ottawa Valley, thereby giving to the major oil monopolies of the United States a captive market in both western and eastern Canada. The Canadian people have paid dearly for that. Now that we find we have only a few years' supply of conventional oil left, what is the oil industry doing? For the past year it has been virtually blackmailing the government to raise the price of crude oil. The industry has said, in effect, "If

we don't get more money we are going to slow down our exploration programs". The oil companies have been shifting their drilling rigs south of the line.

Mr. Bawden: Of course.

Mr. Douglas (Nanaimo-Cowichan-The Islands): "Of course"—a typical Tory reply. Having exploited our oil resources, they are now going to somebody else unless we pay them more. When workers go on strike there is a great deal of fuss about what they are doing to the public. The oil industry has been on strike for over a year, with reference to exploration programs in this country. It has put a gun to the government's head and said that either it gets a higher price or it goes elsewhere. The oil industry says, "We need more cash flow"—a lovely term that it has managed to produce. In other words, the oil industry is saying it wants the consumers of Canada to pay more for oil, not because the industry is not getting enough now to do very well, but to look for oil which, when they get it will belong to them and not to the Canadian people who put up the money for exploration in the first place.

If that is not reactionary economics, Mr. Speaker, I do not know what is. But that is the cry now: we must give the oil companies more money so they can find oil that will belong to them, and for which we will have to pay through the nose in order to get it.

Mr. Bawden: Now tell us what you did in Saskatchewan.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I would be glad to tell my hon. friend about that and also to tell him about the companies that are going south of the line to drill for oil instead of drilling for it in Canada. The tragedy is that the government has taken so long to recognize the need for taking the necessary steps to bring some measure of public ownership and control over the petroleum resources and petroleum industry of Canada.

Now that the government has recognized the necessity for taking this step—belatedly, it is true—we in this party support it, as have supported it from the very time that this legislation was introduced. However, I point out that my concern is not whether we are going to have socialization of the oil industry; my concern is whether this national petroleum company is going to have any effective role to play in Canada. What is it going to do? What is its function going to be?

Let me make three points that give me concern, points that I am sure will concern a great many Canadians. I hope that when the minister speaks, either in this debate or on third reading, he will tell us something about these matters. First, I noticed in the press that Mr. Hampson, president of the Canada Development Corporation, has said that if his corporation cannot buy an oil exploration company, they may set up their own oil exploration company. I would be interested to know if that is government policy. If that activity is to be carried on by the Canada Development Corporation, what is to be the role of the national petroleum company, or are they both going to be engaged in oil exploration? I think that needs to be clarified.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]