

Canada Oil and Gas Act

reflect that. These objectives need to be spelled out. I will get to that in a few minutes.

I regret to say there has been evidence in the last few days that the Canadian government is backing off the National Energy Program and its objectives under American pressure. Yesterday we heard from the responsible government agency that there is a loosening up of the rules of Canadian ownership. Yesterday in Washington the American administration laid out quite clearly to Congress their objectives in dealing with Canada over these provisions. They said three things. First, they want Canada to end the discriminatory grant system. Second, they want Canada to stop the takeovers of American firms in the energy area. Third, they want Canada to rein in the Foreign Investment Review Agency. I am sorry to say the Americans are winning this game of pressure. All one has to do is read the speech made last week by the American Ambassador to Canada, who said FIRA was reined in.

What is happening behind the scenes and is perhaps not reflected in the House in day to day questions is that there was planned by cabinet what I call a NEP II. It was to be in the budget, but it is gone. We are not going to have an industrial strategy through an expanded FIRA which would really be the NEP II.

What we are going to see time and time again over the next few months is the government backing off those principles outlined in the National Energy Program. It is a pity. I want to talk a bit about those principles. The first principle is domestic Canadian control of the energy industry. Why do Canadians want this? My amendment is related to this because it substantially increases not ownership, but Canadian control of the energy industry.

Canadians want this for a number of reasons. They do not like the predatory practices of the oil companies. This is not just the ravings of some far-out, left-wing socialist radical. The evidence is all here in government reports in Canada and in books written internationally over the past five years. The Bertrand report showed price-fixing and predatory practices over a period of years. We are not surprised at the Stoner commission hearings now going on. The oil company lawyers express outrage. The evidence is strong. This is not new. I refer to Anthony Sampson's book "The Seven Sisters" published some time ago. He is a distinguished international author. The book shows the same practices having been continued internationally over the past 50 years.

Canadians want to control their own energy industry. They want to stop those predatory practices. The Canadian people want to control their own energy industry because they want to stop the outflow of capital. The argument is often made that the involvement of foreign companies in our oil sector has been a much needed source of foreign capital. That argument is a myth. Since the 1974 increase in oil prices, there have been capital exports. The industry started the capital outflows approach with \$2.1 billion between 1975 and 1979. If dividends and interest payments were added, the total outflow goes to \$3.7 million in that period. These are not my figures

but figures from page 17 of the National Energy Program which show that we have been exporting capital.

Third, Canadians feel that decisions that affect the basis and scope of development should be made in Canada, not abroad. A good example is the Hibernia, which is being developed and is about ready to go. What a tragedy that the decisions will basically be made in New York, because Mobil has the leases and control of Hibernia. Canadians want those decisions made in Canada, not in New York or Houston.

Another reason Canadians want domestic control of the energy industry is that under the present system we lose the research and development technology. Last year in the House of Commons the hon. member for Oshawa (Mr. Broadbent) showed by letters and documents that Imperial Oil is sending all its research on the tar sands projects to its parent, Exxon in New York. We have research in heavy oil and tar sands. It is the forerunner of that kind of development in the world. What do we do? We allow the foreign-controlled company to send all the exclusive contracts in research and patents to its parent in the United States.

These kinds of practices have to stop. The evidence is there. I have cited some of it. One would have to be blind to miss it, and the Canadian people are not blind. They may be preoccupied, but they are not blind.

The second principle in the National Energy Program which is good is that there be a substantial public presence. Petro-Canada is very popular in this country. Just ask the Conservative party. You can look further, at the polls. Individual MPs send out questionnaires or householders to their constituents. I send them to the people in Vancouver-Kingsway. I asked my constituents what they thought of Petro-Canada and government involvement in the oil industry. By far the results showed that the people like Petro-Canada. They want a government oil company and they want it to be active and expanded. An article the other day in *The Globe and Mail* reported that sales by Petro-Canada are up in the stations they have taken over in western Canada, Pacific Petroleum. In eastern Canada they will soon be putting the Petro-Canada signs on Petrofina stations. When they do that, Mr. Speaker, the people will receive their Petro-Canada credit cards and sales will go up. People support this. This is important for us to understand.

• (1230)

But this government—and this is where we differ from them—has not followed this principle through.

An hon. Member: Where do you differ from them?

Mr. Waddell: My friend asks me where we differ from them. I will put it very specifically. What the government and the bill will do is take large American companies and replace private companies with large Canadian companies. In other words, they will take the Rockefellers and the Mellons of the United States and replace them with the Blacks and the Blairs of Canada. I must say Conrad Black wrote me a nasty letter after my last speech in the House of Commons, but I still think he is distinguished. I am sure Mr. Blair will write me a letter