

activities will increase when the petroleum incentive legislation is passed.

Reference has been made to the relative merits of grants under the petroleum incentives program and the previous system of tax allowances. I would remind the hon. member opposite that it is his party which wanted to remove super depletion, which is one taxation measure that was used in the past as an incentive. His government, in its ill-fated budget of December 1979, undertook to remove that superdepletion incentive from the petroleum industry.

On the broader question of taxation versus grants, there can be no doubt that the tax-based incentives program under the previous system benefited mainly foreign-controlled companies because those companies had the tax revenue to benefit from the tax incentives. Consequently, that former system worked against the interests of a number of Canadian-controlled smaller companies which did not have the revenue flowing from their activities that the larger corporations had. For that reason, we have turned to the system of direct grants as a more equitable arrangement from which all in the petroleum industry can benefit, particularly Canadian-controlled companies.

As we move into the petroleum incentives program as well as the agreement between Alberta and the federal government, we have every reason to expect that the present satisfactory rate of Canadianization in the petroleum industry will continue and, in some respects, probably accelerate.

No doubt farm-ins and new exploration ventures will increase as the provisions of Bill C-48 are implemented. We expect the incentives program to bring further development to ensure a greater opportunity for Canadians to participate in their own petroleum industry.

I wish to conclude my contribution to this part of the debate by bringing to the attention of hon. members the substantial progress which has been made in our petroleum industry.

**Mr. Deputy Speaker:** Is the House ready for the question?

**Some hon. Members:** Question!

**Mr. Deputy Speaker:** The question is on Motion No. 17 (Mr. Waddell). All those in favour of the motion will please say yea.

**Some hon. Members:** Yea.

**Mr. Deputy Speaker:** All those opposed will please say nay.

**Some hon. Members:** Nay.

**Mr. Deputy Speaker:** In my opinion the nays have it.

*And more than five members having risen:*

**Mr. Deputy Speaker:** Pursuant to Section (11) of Standing Order 75, the recorded division on the proposed motion stands deferred.

**An hon. Member:** I didn't see five members.

*Canada Oil and Gas Act*

**Mr. Hnatyshyn:** You are supposed to have five members rising.

**Mr. Deputy Speaker:** We will now proceed to Motion No. 18 in the name of the Minister of Energy, Mines and Resources (Mr. Lalonde).

**Hon. Marc Lalonde (Minister of Energy, Mines and Resources)** moved:

Motion No. 18.

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 23 by striking out lines 33 and 34 at page 13 and substituting the following therefor:

"other than a designated Crown corporation to the extent that it holds a Crown share or the minister holding a share on behalf of Her Majesty in"

**Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I simply wanted to note for the benefit of the House that the way the original Clause 23(5) of the bill was worded, it may have appeared that any share held by Petro-Canada, whether acquired in a private transaction or as a result of the operation of Clause 23 of the bill, was immune from reduction. The intent of the legislation, however, is that it is only the 25 per cent Crown share acquired under Clause 23 that is immune from reduction.

It is the purpose of this motion, Mr. Speaker, to clarify that point. The amended wording makes the intention of the section much clearer.

**Mr. Deputy Speaker:** Is the House ready for the question?

**Some hon. Members:** Question.

**Mr. Deputy Speaker:** The question is on Motion No. 18 (Mr. Lalonde). All those in favour of the motion will please say yea.

**Some hon. Members:** Yea.

**Mr. Deputy Speaker:** All those opposed will please say nay. I declare the motion carried.

Motion agreed to.

**Mr. Deputy Speaker:** We will now proceed to Motions Nos. 21 and 22 which have been grouped for debate. Motion No. 21 is in the name of the hon. member for Etobicoke Centre (Mr. Wilson).

**Hon. Michael Wilson (Etobicoke Centre)** moved:

Motion No. 21

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 27 by striking out lines 36 to 42 at page 15 and lines 1 and 2 at page 16 and substituting the following therefor:

"(2) Her Majesty in right of Canada is hereby vested with and the minister on her behalf shall hold a share sufficient to render the interest holder with a Canadian ownership rate of fifty percent".

**Mr. Ian Waddell (Vancouver-Kingsway)** moved:

Motion No. 22