working interest and the Crown will be liable for its share of expenses.

As someone from the other side might say, that does not provide for compensation for the period of exploration prior to the conversion. Of course, the basic incentives under the petroleum industry incentives program will do just that. There will be incentives that will more than meet the costs involved.

An hon. Member: There will not be anybody drilling.

Mr. MacLaren: The result of subclause (2) of the amendment would be that the designated Crown corporation, whether it be Petro-Canada or another corporation, would have to negotiate special terms with the rest of the participants in an operating agreement. Of course, that is not the intent of the legislation. The intention is that the designated Crown corporation will participate in the operating agreement on a similar basis to that of the private members.

The negotiation of a severed agreement between the Crown corporation and those members, which is the aim of this motion, would defeat the purpose of the Crown share provision.

An hon. Member: That is exactly what it is intended to do.

Mr. MacLaren: That being the intention of the motion, Mr. Speaker, there is no question that it will be opposed by this side of the House as not being in tune with the legislation as a whole.

Subclause (3) of the motion provides for arbitration as to the terms of the entry of the Crown corporation into an operating agreement. Again, this would be inconsistent with the objectives of providing that the Crown corporation participate as an equal partner. The 25 per cent Crown share and the participation by a designated Crown corporation in an operating agreement is obviously known to all parties in advance. It should be unnecessary for the terms of the designated Crown corporation's entry to be a matter of arbitration.

With regard to a model operating agreement, contrary to what seems to be assumed in the motion, there is provision for arbitration in Clause 38 of the legislation. Once again, Mr. Speaker, I do not understand the purpose of bringing forward such a motion at this time.

In more general terms, we have had some discussion in the last few days, under the previous motion and under this one, on Canadianization in the broadest terms. To us on this side of the House, Bill C-48 which provides for a degree of government involvement in the frontier lands, lands that belong to all Canadians, represents a pragmatic Canadian response to a particular set of circumstances. Clearly the private sector is, and obviously will remain, the driving force behind our total economic development. Indeed, I hardly understand why the time of the House is taken with debating that proposition, with one side of the House alleging that somehow it is being called into question by this legislation. It is a truism that hardly needs repeating.

One of the obvious motivations behind the National Energy Program and, indeed, behind this legislation before the House, is the rapid development of the Canada lands for the benefit of all Canadians. In those terms, I would draw the attention of the House to the exploration grants that are provided to all explorers. Those grants clearly will help private sector companies to expand and develop their activities in the most promising areas of oil development in our country and to participate even more actively, commensurate with their level of Canadian participation.

I said it was a truism that quite clearly the private sector will remain the driving force and is the driving force of our petroleum development and indeed of our economy in general. It is equally a truism that Canada is a unique country. It is not the United States, it is not any other country. Obviously we share some similarities with our good friends to the south, but in other respects we have our distinct differences.

I think it is idle to view the National Energy Program or indeed Bill C-48 in the context of any other situation but that in which we find ourselves in Canada. That situation is clearly that over the years the sheer size of our country and the small population have placed restrictions on the economic and social development of Canadians. This is also true of political development. It has demanded a greater role for the collectivity, if you wish, if those natural obstacles we face of a vast and hostile terrain were to be overcome.

Against that very simply sketched background, it is obvious why Canadian governments, whether they be Conservative or Liberal governments of the past, have looked toward Canadian government involvement in the form of Crown corporations and other entities to help knit together this country and develop a huge and sparsely populated land.

If such activity and involvement on behalf of all Canadian people acting through their government has been necessary in the past and has been so deemed by both Conservative and Liberal governments in areas of urban intensity and areas of industrialization, how much more evident is it that such involvement is necessary in the vast territories of the Canada lands, frontier lands, offshore and high Arctic, underpopulated, often harsh and difficult environment. Government involvement in oil and gas development in those areas is hardly to be regarded with surprise. Indeed, if Canadians are to gain control of their own future, if native claims and the environment in those areas are to be guarded and protected, then it would be negligent of this government or any Canadian government not to provide for that active involvement.

Geography is clearly only one of the elements, one of the determinants of the National Energy Program and of Bill C-48. An equally pressing reason for the type of legislation and thinking that underlies the legislation which we have before us this evening is the fact that our petroleum industry has been massively controlled by foreign companies and investors in the past years.

There has been, thanks to measures taken by previous governments, some improvement in that regard. Quite clearly, if Canadians are to have a fair and equal opportunity to