

Canada Oil and Gas Act

(i) Canadians have a fair and competitive opportunity to participate in the supply of goods and services to oil and gas exploration, development and production activities;

(ii) maximum advantage is taken of opportunities provided by gas and oil exploration and production to establish and expand industries in Canada which can make a long-term contribution to the Canadian industrial base;

(iii) Canadian and local content is maximized so far as practicable with respect to the origin of products, services and their constituent components;

(iv) Canadians be given employment preference in cases where suitably qualified Canadian citizens or landed immigrants are available. Where labour requirements are such that Canadian citizens or landed immigrants are not suitably qualified in sufficient numbers and the labour requirement is ongoing for the length of the agreement, the agreement holder will undertake to provide on-the-job training for Canadian citizens and landed immigrants in order to maximize as far as possible and reasonable, Canadian labour participation."

The significant unemployment figures in Canada today represented by all sectors of our employment base, from the most sophisticated professional areas to the every day labourer, are a crime. Yet so many of our projects which are taking place on Canada lands require imported expertise. This is certainly a slap in the face for our government and its on-the-job training, apprenticeship, research and development programs and the like.

We are suggesting that the holder of an exploration agreement should open all contracts having a value of \$50,000 or more to public tender and submit in reasonable numbers invitations to bid to individual Canadian suppliers. Those bids should be evaluated in terms of the extent to which bidders use Canadian goods and services. We suggest also that the minister establish an advisory body, to be made up of representatives from Canadian labour, from major industries and from the oil and gas companies, to provide sourcing for offshore and northern exploration and production activities. This body would then make recommendations to the appropriate minister concerning the pace of exploration and/or production in Canada lands so that investment decisions, development work and facilities construction in Canadian industries participating in this exploration and production be given their due consideration. We are suggesting that the committee should also have the authority to recommend to the minister that approval of exploration agreements and production licences be delayed in order that benefits accrue to the Canadian economy.

To us these do not seem to be revolutionary, outlandish recommendations. They seem to be recommendations that most other countries of the world already follow. Wherever possible and wherever feasible, why not give the benefit of the doubt to a Canadian company? Why not give the benefit of the doubt to a Canadian engineering firm as opposed to a firm from overseas or from south of the border?

We feel very strongly that Bill C-48 is a golden opportunity for Canada that we should take. We feel that it is now time like never before to send out a clear message to the Canadian small business sector through Bill C-48 that we would like to see them obtain the recognition and appreciation that they so dearly deserve.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I wish to put a few words on the record concerning Bill C-48. I

would like to talk in particular about the motions we have placed on the Order Paper to correct this piece of legislation.

● (1620)

I would just like to point out why we are presenting these amendments. In fact, they call upon the Minister of Energy, Mines and Resources (Mr. Lalonde) to stand by this government's goal to Canadianize the energy field. The minister has been given a great deal of discretionary power, probably too much. Clause 10 of this bill does nothing to ensure that the minister will act responsibly toward his goal of Canadianization. We are very concerned about his discretionary powers when we see some of the devastating effects the National Energy Program has had on the Canadian oil industry and when we look at some of the statistics on what has happened in Canada as a result of this particular program and this government's involvement in energy.

In one case we have the development by Imperial Oil Limited of the \$12 billion Cold Lake heavy oil extraction plant in Alberta remaining suspended. Just imagine what a blow to the economy the stoppage of this \$12 billion project is, the result of this government's energy policies.

I would like to comment further on these discretionary powers. Let me quote from a submission made to the committee dealing with Bill C-48. This was a presentation from Chevron Standard Limited which made one of the better presentations regarding ministerial discretion. It points out:

The second feature of the bill which is rather all pervading is the broad discretionary powers granted the minister. Although there are some discretionary provisions which grant the right to appeal, many others do not. Even those granting the right to appeal provide that the initial appeal is to the minister whose decision is the subject of the appeal—he is asked to be the judge in his own case.

That could be disastrous with the present minister of energy, particularly with the record of this government in the energy field. The brief goes on to state:

It would seem to be asking too much to expect the minister to reverse himself on appeal so that such appeal would not appear to be of much value other than as a first step to a further appeal to the Federal Court. There is, of course, no review of the minister's actions by Parliament or by the Cabinet.

That is another danger. The brief goes on to state:

We would like to deal with a few specific areas where we feel the discretionary power could adversely affect Chevron.

Section 44(1) provides that the minister may designate a discovery of oil or gas a "significant discovery" and under Section 45 order the drilling of up to three wells at a time in relation to the "significant discovery". The definition of "significant discovery" is so broad that the minister could in fact declare any discovery no matter how small to be a "significant discovery". The definition makes no reference to economics, so the minister does not have to concern himself with whether or not a discovery is an economic one that would permit him to issue a drilling order. Such discretion could be used to force the drilling of uneconomic wells, or to place a company in a position that its only alternative is to surrender the pertinent Canada lands.

The Chevron brief goes on to state:

Section 49 provides for the establishment of two 15 million dollar environmental funds, one for each of the Minister of Indian Affairs and Northern Development and the Minister of Energy, Mines and Resources. These funds are to be funded by holders of Canada lands not necessarily equally nor in any ratio or proportion but only "... in the manner determined by the minister ...". Under