

Canada several years ago when it was necessary to give a good deal of encouragement to people to go into remote areas. If they found a barrel of oil, all they got for it was \$1.75! People responded to the challenge put to them by the government and went in at considerable risk to themselves. In a few instances they were successful and I do not think they should be penalized for that.

I was pleased to hear what the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren) said with respect to the Kotanelee gas field. I understand from him that amendments already put forward by the government have included the Kotanelee gas field in the list of properties which would be exempt from the 25 per cent back-in. I am glad that happened because if the things I have said apply to any company, they certainly apply to Columbia Gas which developed that field. It is unfortunate that it is not producing today but, like many other fields in western Canada, it has been shut in. The market does not exist for gas from those particular wells.

When debating Motion No. 21 we said that we accept the idea of a Crown share but only in those cases where it is necessary. If there is a large percentage of Canadian ownership in a particular property already, then it is not necessary for the Crown to grab more.

It would appear that we will not be successful in persuading the government to see the error of its ways and the wisdom of ours, but I think for the sake of fairness, good faith and the future that when people take the government at its word they ought to be assured that the rules will not be changed retroactively. Taking all those things into consideration, I do not see any reason why this amendment should not be acceptable to Parliament.

Now I come to the question of the way in which Petro-Canada, the federal Crown oil company, will operate in the north. I want to examine the part it will play in the government structure.

First of all, if we accept the idea of a Crown share, then there are different ways it can be vested in certain organizations. If the Crown share were to be sold by public tender to Canadian oil companies, that would be one way of dealing with it; if it were to be disposed of in some way to local corporations formed within the Yukon and the Northwest Territories, perhaps under preferential terms, that would also be acceptable to most people. For instance, if it were to be vested in corporations established as a result of land claims settlements, that might be acceptable. If all that interest in all those properties were to be vested in Petro-Canada—and this is obviously the intention of the government—that would bode nothing but ill.

Petro-Canada, which is the chosen instrument of government policy, is, to my way of thinking, entirely suspect. It is important in the eyes of the Liberal government; because the government created it, it has a motherly attachment to it and in order to justify its policies it has, one way or other, to make sure that Petro-Canada, if it does not succeed, at least does not fall by the wayside.

Canada Oil and Gas Act

I always question how the government can be both a regulator and an operator at the same time. Surely the government has a legitimate function in laying down the rules and regulations under which oil and gas companies shall operate in federal Crown lands, but when the government, through an instrument such as Petro-Canada, also becomes the operator, then it is very difficult for a distinction to be kept between the regulatory role of government and the exploitative role of government through its holdings in Petro-Canada or like Crown corporations.

So far, Mr. Speaker, all I have said has also been said by many other speakers. Now I come to the rather frightening part and that is the case when, because of the importance of one commercial operation which receives the backing of the Crown and is seen to be very important to the executive as a result of policies it has laid down, the company operates in a particular region and has the possibility of becoming, in effect, the government of that region.

To cite an example, we need only look at the old Hudson's Bay Company which received its royal charter, according to its advertisements, on May 2, 1670. For many years it was not only a commercial operation in Rupertsland in Canada, but also undertook the public government of what is now part of Canada.

I think it is very difficult to have a fair system where one organization is both concerned with commercial exploitation and with providing public government. We can take other examples where similar things have occurred, such as the Dutch East Indian Company in Indonesia which for a long time was virtually the government of the Dutch East Indies. Then there was the British East India Company which for many years governed the British dominions in India. It is generally accepted that government by a commercial organization was not good and was not beneficial to the people so governed. In fact, it is always cited as the worst possible type of colonial exploitation.

● (1710)

In Rupertsland, as time progressed, we no longer had the Hudson's Bay Company as governors. We have gone through a variety of systems to get to the one we have there now. We have what you might describe as an embryonic provincial government there, a government which, if it is allowed to proceed along the road it is going, will become the same as any other provincial government in Canada. It will be a government responsible to the people it governs.

With Petro-Canada there, and with all eyes being upon it, in effect public policy could be made to suit Petro-Canada and not necessarily the people who live there. If the chief executive officer of Petro-Canada comes down and talks to the Minister of Energy, Mines and Resources (Mr. Lalonde) and says, "We need a little change in regulations here", that change will be made, and whatever the few Canadian citizens in the area have to say through their instruments of government, or through the Members of Parliament they send to Ottawa, might very well be set aside and that which Petro-Canada