

*Canada Oil and Gas Act*

● (1640)

Before I became a Member of Parliament, I had the opportunity to spend a lot of time in the north. During the 1970s I lived in the Northwest Territories where I worked for several years. In fact, I was in Whitehorse reviewing the right of way for the Foothills pipeline on the day that I received a call from the riding association in Vancouver asking me to run in Vancouver Centre. During that time I developed a deep appreciation for the people of the north and its traditions. I travelled extensively throughout the Northwest Territories.

I have been most impressed by members of my own party who have worked so hard to promote changes to the original act. They have displayed extensive knowledge of the oil and gas industry. Just as important, they have manifested a real sensitivity to the needs of the north.

Nowhere is that attitude more evident than in Motion No. 21, the motion we are debating today. It seeks to limit the right of the Crown to back-in to a production field. If passed, and I sincerely hope it will be, it would allow the Crown to become a Canadian owner of last resort only.

I object in the strongest terms to the powers which the federal government wishes to give itself through the back-in clause. I am opposed to the federal government's attempt to appropriate a piece of the action, as it were, to itself. The Liberals wish to give the federal government a 25 per cent share, no matter what is the extent of Canadian ownership of the project. My party is not opposed to Canadian ownership. Our amendment would permit the government to acquire a share where ownership was less than 50 per cent Canadian. We would permit the federal government to acquire sufficient interest to bring the project up to 50 per cent Canadian ownership.

I am opposed to the assumption that underlies the federal government's attempt to take a straight 25 per cent ownership of projects. It is typical of the attitude that the federal government has always adopted when dealing with the north. Federal governments have rarely demonstrated any real sensitivity to the needs of the north. Federal governments have always, throughout the history of the north, taken the major revenues for themselves and prevented northerners from attaining any degree of control over their own future.

For more than 100 years, political and economic developments in the territorial north have been linked. The nature and establishment of political structure reflected the interest in the north's economic potential for the rest of Canada. When demand for the north's economic resources rose, federal administrative activity and the development of local government increased. When the economic base flagged, the political structures withered and the north, to all intents and purposes, was abandoned by southern Canada. Throughout the period, the essential conflict has been the demand by northerners for a greater measure of self-government and the federal government's reluctance to relinquish ownership and control over the natural resources which would provide the financial base for self-government. Bill C-48 fits into this tradition. It is consistent with the pattern that any time national interest begins

to focus on the north, the federal government jumps right in. The only difference this time is that the federal government is being particularly heavy-handed. Bill C-48 will retard the political development that has been so hard won in the north. That is a tragedy.

If you will permit a short review of the history of the north, Mr. Speaker, I will explain why. The Northwest Territories has been defined entirely by the needs of southern Canada. The original territory was composed of the area which now represents present day Alberta, Saskatchewan, Manitoba, northern Ontario, northern Quebec and the present Northwest and Yukon Territories. The Northwest Territories, as we now know them, represent land left over when the more economically productive regions that became Alberta and Saskatchewan were carved off in 1905. Its area was further reduced in 1912 when boundary changes extended the northern limits of Ontario, Manitoba and Quebec. The 60th degree of north latitude was established as the northern boundary of the provinces, apparently on the false assumption that it marked the limits of a viable agricultural economy.

In 1898 political and economic factors led to the creation of the Yukon as a separate territory. Thus the Northwest Territories, as now constituted, emerged as a residual area with little apparent economic potential beyond fur trading activity, centred largely around the Mackenzie drainage basin.

If we examine the political evolution of the Northwest Territories, we can identify two distinct phases. The first is characterized by a colonial form of government, permitting little involvement by residents. The second is characterized by limited local participation through the establishment of local territorial councils, composed of appointed or elected members, or both, and allowed some legislative responsibility if Ottawa so chose. The latest development is the settlement of land claims which would enable native northerners to control their own lands and resources as well as their economic and social priorities.

Over the last 100 years, the territories were viewed as unproductive and little attention was paid to them by the government in Ottawa. In the period following confederation, the economic activities of the north centred around the fur trade and, to a lesser extent, whaling. Its government was first vested in the federally-appointed lieutenant governor. Gradually, a form of responsible government evolved as the first legislative assembly of the Northwest Territories was created. In time, more and more legislative rights were granted to the assembly until its powers resembled those of the provinces.

In 1905, however, the provinces of Alberta and Saskatchewan were created from the territories of the northwest. With their departure went the fledgling responsible government. The remaining region reverted to colonial status, fully controlled by an appointed commissioner. There was no provision for elected representation. This totally colonial situation remained until 1951, which is only 30 years ago.

The attitude of the federal government during the period can be politely described as that of benign neglect. The provision of most services historically lagged behind demand.