

Canada Petroleum Resources Act

Canadians demand an element of Canadianization because the decisions about Canada's oil and gas industry ought not continue to be made in the boardrooms of other countries. Canadians ought to have a say about our oil and gas industry which provides the energy that drives the engine of growth in Canada. The Minister's view of Canadianization is that any find discovered before 1982 can be managed in its production stage entirely by foreign companies.

Canadians are familiar with the prospective finds at Hiberia, Beaufort and off Nova Scotia. All of these were initiated previous to 1982 which means that the Minister's irrelevant legislation guarantees that the production timing for all of those finds is in the hands of those who sit in the boardrooms of the tall office towers overlooking expensive real estate somewhere outside this country.

I do not blame those in the corporate boardrooms for relishing the thought that the Minister has given them that power. They are not in the business of building the long term interests of Canada, they are in the business of making a buck for their shareholders. They are as amazed at their good fortune as Canadians who fully understand Bill C-92 are chagrined at knowing that again this country has been sold out to the financial power players outside of our borders who treat us like another piece on the monopoly board. That is the effect of Bill C-92 on Canada's oil and gas industry.

Canadians demand that they receive a measure of benefit not only in the revenues from the resource but in the exploration and production phase. Bill C-92 makes clear that the exploration side versus the production side of oil and gas development in this country may be handled entirely by foreign interests, whether the finds take place before or after 1982.

I believe in the free enterprise system. We ought to reward success in this country because it generates the most wealth. A free enterprise system with a social conscience and a Government that is prepared to intervene when necessary can be the nucleus for creating the best society possible by giving the greatest opportunities to individuals. Having said that, I do not envisage Canada as a real estate commodity. Oil and gas are more than a stock to be traded on the stock exchange, they are important resources to be used to build our nation and develop a sense of unity and sharing in our country. Bill C-92 will not accomplish that because it treats this industry solely as a monopoly piece.

We are aware of the severe and tragic impact of low world oil prices on the Province of Alberta. What is happening in Alberta is nothing less than tragic, but the Government says that the free market shall determine what happens to the tens of thousands of good people in Alberta who are either unemployed or facing unemployment.

What is happening on the East Coast? While we do not have a mature oil and gas industry, we have the potential to develop one. Over the last 10 years, skilled personnel have been drawn together, training has been provided and exploration work has

been carried out. We have spent billions of dollars and are on the threshold of being able to give something back to the country though the development of those offshore resources. This is not a pipe dream or an instant solution to all our problems, including high unemployment. We have the ability to develop our own tools and give our provinces the income so that we do not become the proverbial orphan of Confederation, constantly putting a hand out for a subsidy from our fellow Canadians.

Let me explain what has happened in my area. We have gone from 14 rigs off the East Coast of Nova Scotia and Newfoundland, involving multimillion dollar operations employing thousands of people, to 2 rigs off Nova Scotia and 4 rigs off the Province of Newfoundland. The reason for this drop is that the Government changed the fiscal regime. It eliminated the petroleum incentive grants and did away with the notion that Canadian participation is important in the development of the offshore. It brought in a new regime, something called a 25 per cent exploration tax credit under the new frontier energy policy. That is what was introduced 20 weeks ago in this irrelevant document.

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What has happened? We have seen a dramatic decrease in exploration in East Coast Canada. We have seen a dramatic decrease in the amount of Canadian participation in the development and ownership of a Canadian resource. We have seen only those players, big enough on the international scene to sit on that resource and, if necessary, leave it capped in anticipation of a better price down the road, active in the offshore and on the East Coast of Canada, particularly in the Provinces of Newfoundland and Nova Scotia.

Walter Deboni, the Vice-President of Bow Valley called the exploration tax credit a "PIP squeak", a mere, pale, flimsy shadow of the kind of fiscal regime which was in place before the Minister cancelled out the PIP program and brought in this tax credit. The new tax system means that instead of receiving \$40 million in PIP grants for every \$50 million spent in the offshore, these companies will receive \$4.5 million. That is a reduction of \$44.5 million on a \$50 million expenditure.

Those people sitting in the galleries and those people watching debate on television might say: "That sounds good. For every \$50 million spent, we give \$4.5 million versus \$44 million. That sounds like a good deal". But what those people do not realize is that in addition to cutting back on the grants available to make exploration happen in frontier areas, the Government gave back to the oil and gas companies, foreign and domestic—and in particular, foreign, because it is mostly foreign—a 25 per cent share of those discoveries which were owned by the people of Canada.

There used to be a provision that any oil and gas found on Canada Lands, particularly in the offshore, belonged to the whole country, to all 25 million Canadians no matter where they live in the country. We have given our 25 per cent share