

Canada Oil and Gas Act

be talking about interest rates and the economic turndown in this country.

We have high interest rates in this country due in great part to the energy policies of this government. Let us not forget for one moment that this is why we have high interest rates. Our interest rates are approximately 4 per cent higher than those in the United States right now. Why is that? We must support the dollar in order to bring money into the economy. This government is afraid to allow interest rates to drop because money would then flow out of the country, owing mainly to the bad economic climate created by this government.

How did this all come about? Did it come about as a result of the Prime Minister's visit to China in 1948 when he discussed communism with Mao Tse-Tung? Did it come about when he led the Canadian delegation of communists to the world communist movement in Russia in 1952? Is that how it came about?

An hon. Member: Get into the twentieth century.

Some hon. Members: Oh, oh!

An hon. Member: You fell on your head when you were a kid.

Some hon. Members: Oh, oh!

Mr. Wright: I refuse to comment on the natterings of those in the left wing. Facts are facts. The present Prime Minister has said he does not want free enterprise to work in this country.

Some hon. Members: Oh, oh!

Mr. Wright: He has said that in his writings, and all you have to do is read them. This country is heading toward economic ruin. Unless we are prepared to stand up and be counted, we will never see the country we believe in continue into the foreseeable future.

This is a band of socialists across the way. We must label them as socialists in the future because they no longer belong to a liberal party. They are nothing but socialists, and as we go into the next election that is the label we will give them. The NDP will disappear and we will have only one socialist party, and it will be right across there. How will those members reply to their constituents when they are asked about all these socialist policies. How will they justify them? How do those hon. members go home at night and tell their constituents about all their socialist policies? Do you know what the answer is? Behind the scenes they are saying that when Trudeau goes, they will change things. There is a secret directive out from the annual meeting in Winnipeg which says that when Trudeau goes, they will turn to the right. But it will be too late.

Some hon. Members: Oh, oh!

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I have no ambitions to emulate the amusing rhetoric of the preceding

speaker. I would not want to take the House into such inanities.

I think in discussing the motion before us, if indeed that is the purpose of our meeting this evening, I would want to attempt to situate the 25 per cent Crown interest in its proper context. The provision in the bill for a Crown interest is one part of the broad, comprehensive, new oil and gas regime in the federal Canada lands, and as such it cannot be viewed, as some hon. members opposite insist, in isolation from the larger package.

Bill C-48 as a whole in effect represents a new system to replace the existing system. I would have thought if hon. members opposite had taken the trouble to read the bill and compare it with the present legislation, they would have concluded that the incentives for the private sector are greater under the new legislation than exist in the present legislation.

I refer to the fact that under the current legislation holders of exploration rights are required to return to the Crown at least one-half of their acreage, which could involve the surrender in certain cases of up to 30 per cent of their discoveries prior to obtaining production rights.

I simply do not understand the argument of those who say the provisions of the current regime for the return of acreage does not in fact pose a burden on explorers. If this were so, and it were a burden, why have explorers in several cases opted for special renewal permits, on their entire acreage, which they can do under existing legislation, thereby accepting a 25 per cent Petro-Canada back-in? They did not choose to do that. They did not choose to move directly to lease, yielding 50 per cent of the acreage but avoiding a Petro-Canada back-in. On the contrary.

Under the new legislation, holders of exploration rights will not face that dilemma. They will be allowed to retain production rights over the entire area of a gas or oil field. Yet hon. members opposite say that somehow the 25 per cent Crown share is a more onerous burden being placed on private sector companies than exists under the present legislation where they must surrender up to 50 per cent of their acreage prior to production. I do not follow that reasoning any more than I follow the reasoning that is reflected in the motion before the House.

I want to take a moment to discuss that motion because, although its language is somewhat technical, there is a difference of approach which is important; a difference of approach that does, indeed, call into question our ability to Canadianize our industry to ensure a greater degree of Canadian participation by the private sector as well as the public.

● (2140)

The motion before us would provide that the Crown share would cease to be a carried interest at the beginning of the exploration agreement. Therefore, it would become liable for all the expenses of exploration. The intent of the legislation is that the Crown share remain as a carried interest until the production stage, at which time it will be converted to a