

world than enabling someone to make a profit through hard work, but this government is—

**The Acting Speaker (Mr. Ethier):** Order, please. I regret to interrupt the hon. gentleman but his allotted time has expired.

**Hon. Sinclair Stevens (York-Peel):** Mr. Speaker, in joining in this debate I think it would be wise to remind hon. members of what, in effect, Motions Nos. 21 and 22 would do if carried by the House as a suitable amendment to Bill C-48. The reason I say this is that I think often in debate in this House we get away from actually dealing with the motion before us.

If I may take a few minutes I would like to refer hon. members to Clause 27 of Bill C-48. This clause actually deals with what is called the Crown's share as anticipated by the government in what it calls the Canada lands. As the Minister of Energy, Mines and Resources (Mr. Lalonde) has pointed out, Canada lands occupy approximately 40 per cent of the entire territory generally known as Canada, including offshore east coast, offshore west coast, the lands in the territories, the waters in areas such as the Hudson Bay and, of course, the Arctic and Beaufort Sea. It is a huge area. As we know, it is an area that is, in terms of the world's potential for oil and gas, if you like, one of the most attractive. There may be literally billions of barrels of oil and the equivalent of gas to be found in this area. The debate taking place today, especially as it relates to the Crown's share in those lands, is extremely important.

It is for this reason that I would first of all like to remind hon. members of the tremendous contrast between the effect of Motion No. 21, which is the motion of my colleague the hon. member for Etobicoke Centre (Mr. Wilson), and the bill itself. That hon. member, in effect, is saying that rather than have the federal government or the bureaucracy stepping in and arbitrarily taking 25 per cent of the Canada lands interests which a Canadian company—and I emphasize that—or a partly Canadian-owned company and partly foreign-owned company, or for that matter a foreign company, owns in these Canada lands, it would be better to change the measure to ensure that the only time the Crown can come in with a grab is when 50 per cent of the entire oil or gas play is not owned by Canadians.

In short, let me put three propositions. The first proposition would be when you had an entirely Canadian-owned company with not a share being owned by a foreigner. Let us assume, for example, that one of our pension funds owns the shares of the company. As the Crown proposes this clause, the clause which my colleague for Etobicoke Centre would like to amend, the Crown wants to grab a 25 per cent interest away from those Canadians. The Crown is, in effect, saying that, irrespective of the fact that the company is already 100 per cent Canadian owned, the bureaucracy, the federal treasury, wants to lift that 25 per cent interest out of the pockets of those pensioners whose funds hold the shares of that Canadian company. That is the one extreme.

The second proposition is when you have a company, let us say, such as Imperial Oil. Imperial Oil at the present time is

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approximately 70 per cent owned by its parent in the United States and almost 30 per cent Canadian owned. In that case, the government is saying that if Imperial Oil or Esso have certain interests in the Beaufort Sea or off the east coast, or on any of these Canada lands, it feels entitled to grab 25 per cent of what these companies have.

● (1220)

What my colleague from Etobicoke Centre is saying is that it is unfair. It is a retroactive grab. It is a grab that is not only unfair to the Canadian companies, as I hope members will agree, it is also unfair to companies such as Exxon which came to this country in good faith and developed those reserves, showed the potential that is there, only to find that 25 per cent of its interest is taken away without compensation. What my colleague is suggesting in Motion No. 21 is that it would be preferable for the Crown to simply say, in that case which I have cited, that it will take up to a 20 per cent interest, say, in what Imperial owns on the assumption that it is not willing to give up part of that 70 per cent block in Imperial Oil that it presently owns.

I suggest that if hon. members review what I am saying they will agree that is a fairer approach; it is more positive. In effect, it says to those who are now foreign concerns that we acknowledge they have brought these reserves into reality. They have demonstrated the potential of these reserves. These reserves are their assets but we are not going to steal those assets from them unless they fail to Canadianize to the extent of 51 per cent or more. If a company fails to make itself 50 per cent Canadian owned, we feel the Crown should be able to take over an interest which would be equal to whatever its deficiency is.

For example, in the case which I have cited, it would be a matter of saying to Imperial Oil that if it wants to retain that 70 per cent ownership, the Crown would be entitled to take up to 20 per cent of what it has. In turn, that will ensure that at least 50 per cent of the play is in Canada.

The other extreme, of course, is 100 per cent foreign ownership. If this company is 100 per cent foreign owned, it should be given the option to make itself 51 per cent Canadian owned, or if it does not wish to do that, it may be subject to a 25 per cent, or in our example even a 50 per cent, interest by the Crown itself. That is our party's position and I think it is a reasonable one. It is a position that is understandable and it is pro-Canadian as opposed to being anti-foreign. I believe this is a system which international investors would acknowledge as being not only equitable but fair. It is fair in the sense that these companies are not being confiscated without being given any option.

**Mr. Waddell:** No grants, then?

**Mr. Stevens:** Let me turn now to the other extreme, which is Motion No. 22. In this motion you have the other end of the socialist alliance that is now governing this country. The party that pretends to be the Liberal Party is really the governing party in the name of socialism in Canada. The party which is