

*Canada Oil and Gas Act*

tional corporations or as applied to the very large Canadian corporations that disturbs me, but the application of the 25 per cent either back-in share or forward share in the small Canadian companies or small entrepreneurial companies that will develop and that have developed in this nation.

It was for that reason that I suggested to the minister in committee that he look at the 25 per cent figure. If the minister will ever need more flexibility in this whole bill, it will be on that particular point. The minister or the government needs flexibility on that point. Then if it wanted to back in with a particular company with respect to only 10 per cent, it could. In fact, one might even question whether a 25 per cent forward partnership with some of the multinationals is sufficient. I believe I was told in committee that in Norway the crown reserved an 80 per cent ownership share of all exploration leases.

I believe this legislation is wrong. The minister must accept some leeway in terms of government judgment in the area of the 25 per cent provision. It should have a range or it should have some consideration in the regulations whereby it can vary that 25 per cent so that it would not hamstring all our Canadian private entrepreneurs by virtually forcing a civil servant to sit on the board of directors representing 25 per cent of the company and dictating terms to that company.

That is the critical part of the clause in terms of the Crown's share. It is that the government and the minister have created a fixed and ironclad clause. It says 25 per cent or nothing at all, that it shall always be 25 per cent. Why? Of course the government can vary that percentage. I hope that in certain parts of Canada the development of oil and gas by little companies, for example, in the Northwest Territories and in the Yukon, will not be so expensive that only the multinationals can get into the process. I hope the government will provide the incentives for new Canadian companies to get involved in the oil and gas industry in the Northwest Territories and Yukon, and just the other side of the border in British Columbia and north of the province of Alberta.

● (1650)

This is what I rose to speak about today. I am not suggesting that the minister's flexibility should be limited, but if ever there was an area where the government should have some flexibility it is in this particular clause.

Why should it back in on 25 per cent in all cases? If there is 100 per cent Canadian ownership, should it even want to back in at all? It could get its money from royalties, as was done in Alberta. This is why I indicated earlier that the Progressive Conservative government in Alberta scrapped every lease by legislation, changed every lease, and upped the royalties from 16 and two thirds per cent to as high as 50 per cent. There is no question that the federal government could get all the money it wishes through royalty and taxation structures. It does not need money from Canadian companies through the ownership route. The only reason it would get into the ownership route with Canadian companies would be to control the operations and, indeed, the very corporate structure which was

set up under Canadian laws to develop oil and gas on Canada lands. This is why I believe the minister should seriously consider a change in the clause respecting the Crown ownership share as well as the Crown back-in share. By the time the minister finalizes this bill, I hope he will have given serious consideration to the idea of some variation in the ownership clause, so that it is not fixed and set in concrete that it shall be 25 per cent, no more and no less. Indeed the minister should have some flexibility. In some cases he should take a zero ownership share, in some cases a 5 per cent ownership share, in some cases a 25 per cent share, and even higher with some of the multinational corporations which have been in our nation for some time and have major stakes in the oil and gas industry.

In conclusion, I should like to say something about multinational corporations. It is so nice and easy to come in after the fact and say, "Somebody owns too much of my industry in my country and, therefore, I want to Canadianize it." I remember working in the Leduc oilfields in 1947 and in 1948 when Atlantic No. 3 spouted and finally caught fire. Who were in the oilfields then? Canadian companies, the Canadian government and the Alberta government—my foot! It was foreign multinationals which brought in capital, technology and manpower to develop the industry. For many years they took out not a penny. They continued to develop the resource until we became self-sufficient in oil and gas in the late 1960s and early 1970s.

What happened then? Governments started to get involved because they wanted more money and a piece of the action. They wanted to get involved in ownership, in influence and control of the corporate structure of the oil and gas industry. What happened in the decade of the 1970s is that self-sufficiency in oil went down the drain. We started to act as a deterrent. We constantly held back development in the oil and gas industry.

When I started my remarks I said that I wanted to see a regime in place now so that the industry could make the nation self-sufficient in oil and gas. We have enormous reserves of hydrocarbons in the nation. There is not a nation in the world which does not look upon Canada with envy in relationship to our energy resources. There are a billion barrels of oil in our oil sands and heavy oil reserves in the west. Earlier I said that something like 70 or 80 billion equivalent barrels of oil are in our offshore; this is now proven by geologists. We have enormous capability yet we are not self-sufficient in oil. We import 350,000 to 400,000 barrels of oil per day, and this will rise. This is a tragedy. This is impossible to accept by any measuring stick in terms of the development of technology during the last century. The record in Canada is shameful. I have no difficulty with the creation of a public-private system. If they want to do it, then let us create a public-private system. But for goodness sake, let us put in place and stabilize rules in such a way that we can become self-sufficient in the shortest possible time.

The House must pass an energy bill fairly soon, but I hope the minister will seriously consider a few more changes to the