

*Canada Oil and Gas Act*

will provide stability and working rules that are known to everybody, rules that are not changed at the whim of a minister or without appropriate consideration.

I want to say first that I was involved as a minister of a government for over half a dozen years in changing drastically the energy regime in Alberta. No one has to tell me about retroactive legislation. We changed every lease in Alberta retroactively and changed the royalty structure from a maximum 16⅓ per cent to a much higher royalty. Indeed, we changed legislation to effectively change the transfer of ownership of oil and gas.

In the early seventies massive amounts of gas were found on the Suffield reserve in Alberta. It was suggested that the federal government owned those resources, but it was soon proven false, as was the case with the gunnery reserve at Cold Lake. They were Alberta resources.

We had to handle those resources in the best way that we knew how as a Progressive Conservative government in Alberta, and we did. We had an excellent model from the Social Credit government. The Nova Corporation, an Alberta corporation, was set up and given a monopoly to collect oil and gas in Alberta. It was set up as a private enterprise company. The only government involvement was that the government would annually select four members of the board of directors of that company so that provincial government input of policy could always be injected into that corporation which received the monopoly in Alberta for the collection of oil and gas. It has become a very successful model. The Nova Corporation is one of the most dynamic and growing corporations in Canada today, Canadianizing a lot of the oil and gas industry.

We also had to deal with the resources in Suffield and on the gunnery range at Cold Lake. We formed and developed a new concept, the Alberta Energy Company. The Alberta Energy Company was given all the leases and all the resources in the Suffield reserve and also in the Cold Lake gunnery reserve. Therefore, it works in partnership with the private sector to develop these resources.

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The Alberta Energy Company also is a model. It is owned 50 per cent by the Alberta government and 50 per cent owned by the people of Alberta. The one thing we do is attempt to keep the government out of management and administration of the company in terms of its dealings with the private sector. In Canada, as in Finland and all over the world, there are all sorts of public and private corporations in this vital area of providing energy for society. I do not believe that the federal government has a monopoly in structuring a regime on Canada lands. In fact, I am sure they have copied many of the regimes of other jurisdictions.

After consideration of Bill C-48 in committee for some six to eight months, the minister eventually came in with a substantive statement indicating a substantial number of changes to the initial legislation brought about by the pleading of some of the oil companies and by pleading in committee. Some of them were rather specific and dramatic. I hope

someone will read some of the statements made by the minister in committee before the bill returned to the House. For example, the minister could move in to take over as operator of any company where there was any amount of interest by the federal government in that company. This was changed to provide that the federal government could only take over operation when it had 25 per cent.

In the area of the future Crown share of 25 per cent on all future leases, there were few changes made or no changes made at all. In the back-in 25 per cent share there were essentially some cosmetic changes made.

One of the things I suggested strongly to the minister in committee is that there was a need for a change in the 25 per cent maximum figure. On the Crown ownership share, both the back-in one and the forward one, there was no minimum figure of 5 per cent, 10 per cent or 15 per cent; there was simply a maximum or minimum figure of 25 per cent. Some hon. members realize the extent and complexity of not only Canada lands but also of the industry in Canada. Some of it is largely foreign owned. The multinationals are foreign owned.

I do not disagree with the program of Canadianization. Indeed, it is timely and necessary. But the manner in which it is done is very important. If one backs in or takes a future share of 25 per cent of a small corporation, then what one does with that block of shares totally controls the company, particularly if ownership is widely dispersed or oftentimes if it is narrowly held. You cannot buck the government's 25 per cent with a small corporation. I have worked for some multinational companies and they can. The multinationals can adjust from day to day, from month to month and from year to year. The multinationals can contend with a 25 per cent ownership by the federal government. However, the little corporations that we have in Canada who are always growing and coming up by the entrepreneurial spirit of Canadians simply cannot adjust. They must toe the government line in every respect and at every turn. They cannot fight the government's 25 per cent share.

The 25 per cent share will be voted upon by a civil servant possibly receiving periodic directions from a government. I have also been there. When you have thousands of leases and you are dealing with hundreds of companies, I suggest to hon. members that civil servants make decisions on their own. They apply the letter of regulation and the letter of the law.

If I were to agree with the 25 per cent share on a forward basis with all leases associated with multinational corporations and very large Canadian corporations, I would hope that in the development of the Canadian oil and gas industry on Canada lands there would be a profusion of small companies, that the entrepreneurial spirit of Canadians would blossom like it never has before to provide energy self-sufficiency for this nation in the future, and perhaps in a decade.

In situations such as that, why should the federal government have a 25 per cent share of a small corporation that is drilling in the Mackenzie or in the Beaufort Sea or on the east coast? That is why I am disturbed about this piece of legislation. It is not the 25 per cent share as applied to the multina-