I humbly suggest to members of the government, members of the Liberal Party, that if they are committed to going this way, to having the state run everything, and to having the Crown corporation being the godfather of the north, the kind of modern day East India company looking after northern Canada, for goodness sakes, let them at least try to put in place some law, rules and regulations that will encourage good decision-making by this new East India Company that will be the godfather of all northern Canada and offshore areas. At least let them give some consideration to rules and regulations that will encourage and provide an incentive for intelligent decision-making by those delegates of Ottawa, those Crown corporation employees who will be sitting at the table making these decisions. If their corporation does not have anything at stake, they do not have anything at stake. Their decisions will not be as good as decisions made by people who have something at stake. it seems to me self-evident, Mr. Speaker. I do not know how to add to the argument. I cannot conceive of anybody coming up with an argument against the simple proposition that you get better decisions from people who have something personally at stake than you do from people who are, in essence, spending other people's money.

For that reason, Mr. Speaker, I strongly commend to the House Motion No. 26, which brings no profound change to the bill. It merely removes that language from Clause 34 which allows the Crown corporation, Petro-Canada, to vote, whether or not that Crown corporation has taken up its share. I hope that members of this House will consider that motion and will pass it so that if Petro-Canada is installed as a duchy, as the new East India company looking after all of northern Canada, it will at least be in a position to make intelligent decisions on behalf of Canada.

• (1650)

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I should like to add a few brief remarks to those made by the hon. member for Calgary Centre (Mr. Andre) in relation to Motion No. 26, and to repeat his point as an introductory comment. It does not seem fair that Petro-Canada should act as a full voting partner in all subsequent development and production of a drilling lease or production license in the Canada lands unless it is acting as a full working partner in the undertaking.

To put this in context, I should like to deal quickly with three or four motions which we have been debating for the last few days, and with Motion No. 28, which is tied in with Motion No. 26, if we look at Clause 34, the relevant clause that we are attempting to amend this afternoon.

In Motion No. 21 my party put forward the notion that there should be no specific designation of the percentage of the Crown share of the total 50 per cent Canadian content requirement set out in Bill C-48. If we could encourage more Canadians to participate through private investment in privately-owned Canadian oil and gas companies, we would not have to allow the Crown to back in and take a full 25 per cent share. Perhaps it could get by with something less. Perhaps there would be other cases on particular leases where the Crown share might have to exceed 25 per cent in order to ensure a full 50 per cent Canadian ownership in the relevant interest.

Motion No. 23 indicated that essentially there should be no retroactive right on the part of the Crown to back itself into discoveries prior to the introduction of the National Energy Program in the late 1980s. In other words, although the government has now put forward a means of marginal compensation for the privilege of backing in prior to January 1, 1981, it is the view of my party that exploration ventures, financed and initiated by private partnerships and consortia, should not be subject to this form of legalized theft or retroactive stealing to which many of my colleagues have referred.

Motion No. 25 was discussed prior to the presentation of Motion No. 26 this afternoon. It indicated that in the eyes of this party the Crown share, whatever its level, should be represented as a working interest, not merely a carried interest granted arbitrarily by the powers granted the minister under the bill.

Then we come to Motion No. 26 which fits with other prior motions as well as with Motion No. 28. It indicates that Petro-Canada or any other relevant Crown corporation should not have full voting status when sitting in on questions pertaining to financing, timing and management decisions pertaining to the development of a particular project beyond the point of exploration and through the production stages. We in this party do not feel that it is right or proper for the Crown operator to have 25 per cent of the say in decisions in all oil and gas exploration and production initiatives on the Canada lands, unless it pays at least a reasonable share of the cost.

Clause No. 34 which we are proposing to amend reads as follows:

> The designated Crown corporation to which a Crown share is transferred . . . is entitled to participate and vote, in proportion to that Crown share, . . . whether or not that Crown corporation has converted the Crown share under subsection 36(1), and any applicable operating agreement or other similar arrangement stands varied or amended to the extent necessary to give effect to this section.

We are proposing that the Crown operator not be given an open-ended right to a vote whether or not it has converted its Crown share to a working interest. But through a prior amendment, Motion No. 25, we have already required that every Crown share must be in the form of a working interest. I should like to look at what this clause would grant in its present form. It refers to Clause 36(1) which reads as follows:

> A designated Crown corporation may convert the Crown share transferred to it to a share in the relevant interest with all the attributes and, subject to subsections (2) and (3), all the obligations of a share in the relevant interest at any time before, but not later than 30 days after, the minister gives the designated Crown corporation a notice of his intention to authorize a system for producing oil or gas from the relevant Canada lands.

A Crown operator, whether it be Petro-Canada or whatever other Crown corporation, can sit back casually knowing that it has a 25 per cent carried interest but not having to convert it to an active interest until it finds out whether or not oil or gas is discovered. Of course it has 30 days retroactively after the registration of a significant discovery. After the minister has