

Canada Oil and Gas Act

the Minister of Energy, Mines and Resources in his speech the other night quoted Edmund Burke, who was a small "c" conservative of some two centuries ago. The minister quoted the following statement made by Mr. Burke:

If we command our wealth, we shall be rich and free; if our wealth commands us, we are poor indeed.

What is the point of being free in a country if your wealth is commanded by a centralist government in Ottawa which takes away the individual spirit to compete, to drive, and to advance in accordance with our own sense of priorities and goals?

The Minister of Energy, Mines and Resources had it all wrong when he quoted that phrase. Burke was suggesting that a country's wealth should be entrusted to individuals to be used for the good of all, but that individuals should enjoy the right of ownership, just as provinces enjoy the right of ownership. If we take the position that the federal government should own all, or should own 25 per cent of the interest in every oil and gas producing company, then we are taking that right of freedom away from individuals and we are heading down the road toward becoming a communist society.

Miss Aileen Nicholson (Trinity): Mr. Speaker, this bill before us, the proposed Canada oil and gas act, is a key element in Canada's National Energy Program. It is a bill which evokes strong feelings. There are deep differences of opinion between those of us who think in terms of a National Energy Program and those who think in terms of a regional oil program. There are different aims to be reconciled between the producer and the consumer. This is a bill which needs to be approached with cool heads and considerable good will, rather than with rhetoric.

In introducing the bill the minister said that he would be prepared to consider amendments at committee stage. It is a technical bill which should be carefully studied at the committee stage, and since it will be some weeks before the committee hearings start, there will be time for interested parties to prepare briefs and submissions, which I know will be examined in detail by the standing committee.

There were three main objectives listed in "The National Energy Program", first, security of supply and eventually energy independence; second, the opportunity for Canadians to participate in energy industries, especially oil and gas; third, fairness in pricing and in the sharing of revenues among governments and industry.

There were a number of measures announced to achieve these objectives. Five of these were: first, energy substitution away from heating oil to natural gas, electricity and other energy sources with federal grants to encourage this process. The goal is to reduce residential, commercial and industrial use of oil to 10 per cent of those sectors' total energy use by 1990.

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Second, energy conservation measures will be further expanded, including acceleration of home insulation programs

to ensure that 70 per cent of Canadian homes will be upgraded by 1987.

Third, renewable energy technologies will be further stimulated through research and demonstration programs and supported by a new alternative energy Crown corporation called Enertech Canada, so their contribution to the total Canadian energy demand will be doubled to 6 per cent by 1990.

Fourth, Canadianization of the petroleum industry which is now dominated by foreign interests will be actively pursued through programs designed to achieve at least 50 per cent Canadian ownership by 1990, Canadian control of a significant number of larger oil and gas firms and an early increase in the share of the oil and gas sector owned by the people of Canada.

Fifth, direct incentive payments for oil and gas exploration and development will supplement reduced depletion allowances and will be structured to favour investment by Canadian companies and individuals anywhere in Canada, with added incentives for exploration on Canada lands in the north and offshore.

Since those measures were announced on budget night there has been a considerable degree of progress. The extension of the natural gas pipeline system to the maritimes is now before the National Energy Board. The renewable energy Crown corporation, Enertech, has been established in Winnipeg, and negotiations are well along with the provinces about off oil energy substitution grants to consumers.

The Canada Oil and Gas Act sets the legislative framework for energy development in the Canada lands. The Canada lands, the lands making up Canada's frontiers, those vast expanses covering a total area almost twice as large as that of the ten provinces combined, comprise some 2.5 million square miles in the offshore and 1.5 million square miles in the Yukon and Northwest Territories. They represent Canada's greatest hope for significant new reserves of conventional petroleum.

In introducing the bill on December 11, the minister summarized the measures in the bill in seven points. He said: "First, there will be . . . work requirements through negotiated exploration agreements which include firm drilling commitments. Second, the bill reserves to the Crown a 25 per cent share of oil and gas rights in the Canada lands, to be exercised through Petro-Canada or some other designated Crown corporation. Third, there will be a minimum requirement of 50 per cent Canadian ownership, through the private or public sector, of production from the Canada lands. Fourth, there will be requirements for "employment of Canadians, and use of Canadian goods and services, in oil and gas activities carried out on the Canada lands." Fifth, there will be "ministerial authority to order production to commence and be delivered to Canadian markets, in quantities and at prices specified in the order." Sixth, there will be a greater degree of control "in the timing, direction, rate, and level of exploration, development and production by various means," which might include "drilling and production orders, earlier release of proprietary information, prior approval of transfers and assignment of rights." Seventh, to "ensure that Canadians receive a fair return for