

tal, to Bill C-48. None has been accepted, and the minister has not even participated in this debate. The Minister of the Environment (Mr. Roberts) has quietly watched the emasculation of his department. Maybe he will show some concern for the Arctic environment after it is damaged. The Minister of Indian Affairs and Northern Development (Mr. Munro) seems more interested in buying off the natives than in representing their interests in cabinet.

There is another major concern with Bill C-48. If Hibernia and the Beaufort Sea prove to be "elephant" fields, then the development of the Canada lands will surely snowball. Not only will that wreak havoc in the Arctic, it will also perpetuate our addiction to fossil fuels. While the rest of the world is conserving and developing more energy-efficient sources, Canada could be left behind. As an example, the excellent task force report on alternative energy is doing nothing but gathering dust, even though a lot of excellent work went into the development of it.

Apart from such foreseeable problems, the most worrisome aspect of Bill C-48 is the further concentration of unchecked, unaccountable bureaucratic power. Far too often we have seen in this chamber what power does as it relates to the Canadian people.

We have a number of other motions pertaining to the authority of the minister as it applies to this legislation to which we hope the House will give serious consideration. I look forward to participating directly when those motions are before the House.

**Mr. Bill Wright (Calgary North):** Mr. Speaker, I rise today to talk about Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act. In particular, I will refer to Clause 28 which allows the government to back in on oil companies on Canada lands.

As the provision stands under this bill, the government will be able to confiscate or take over 25 per cent of the interest of the oil companies. Basically it says the government will be able to take over 25 per cent interest on all discoveries prior to December 31, 1981. The amendment presented by the Conservatives suggest that no Crown share is reserved out of a former lease in which significant or commercial discoveries of oil or gas were made on or before October 28, 1980, or in respect of any interest that succeeds from that former lease.

It is obvious that in the north only two areas are protected by the government under this amendment, the Norman Wells area and the Pointed Mountain area. All other discoveries in the north will now be confiscated to the extent of 25 per cent. The government believes that this is justified under the incentive plans it has given to these companies over the years. However, if it is obvious it can do it with the oil and gas industry, it can also do it to other industries. The mining industry is looking at this very carefully. Will companies, whether Canadian or foreign, put money into the mining industry in the future if this type of confiscation can take place?

### *Canada Oil and Gas Act*

By taking a 25 per cent interest in all discoveries, the government is simply saying that it does not want to become involved in the exploration. All it wants is a 25 per cent interest in the discoveries. It only wants the successful wells. How many wells will the oil companies have to drill in order to find a successful one? The present ratio may be one in three or one in five. But the government is not interested in that. It is only interested in successful wells. It is prepared to confiscate 25 per cent under a carried interest, which means basically that the oil companies will carry the government for 25 per cent up until the time they have a discovery and are asking for a development permit. At that time, the government is prepared to go into a working interest and pay them two and a half times their portion of the exploration costs. As I mentioned a minute ago, Mr. Speaker, if the success ratio is one in three or one in five and the average cost of a well on Canada lands is \$50 million each, what will be the ultimate end to this? Obviously, these companies cannot afford this meagre type of compensation. In addition to that, Mr. Speaker, and it may come as a surprise to many people, the government does not have to consider its working interest. It may take up the carrying interest or its portion of the development of the 25 per cent and sell it. It does not have to consider its interest. Not only that, Mr. Speaker, the government can do nothing. After all this time, it could decide it does not want to get involved in it if it cannot sell it. Moreover, if it sells it, it goes to public auction and someone could buy it for \$1. That is some type of a partner for the oil industry, Mr. Speaker.

● (1750)

Let me briefly refer to the Canada lands. I shall first refer to the Arctic. The government says that they want to maintain Canadian content on Canadian lands. Let us look at that Canadian content right now.

In the Arctic, basically, we have the Arctic Island exploration group. It is 58 per cent Canadian owned. The second one, Panarctic Oils Ltd., is basically Canadian. It is controlled by the Canadian government. The third group, Dome Petroleum Limited and partners, is basically Canadian. Certainly they have foreign partners and the partners have brought in needed capital, but there is no capital going back home and no oil going out yet. The government says that they want to maintain or increase the Canadian content.

Let us look at the Labrador coast, Mr. Speaker. Is that foreign controlled? Is the development done by foreigners? No, it is done by Canadians. Unfortunately, in this case it is Petro-Canada. Let us look at the Davis Strait area. The lead partner in that area is also Petro-Canada. The lead partner in Hibernia is Mobil Oil Canada Ltd., a foreign-owned oil company which has been in Canada for many years. Ninety-nine per cent of the people who worked for Mobil Oil Canada Ltd. are not Americans but Canadians. Yet the government is threatening their jobs in this bill. Let us look at Sable Island. Once again Mobil Oil Canada Ltd. is the lead partner, but Petro-Canada has a 30 per cent interest in the company.