

Canada Oil and Gas Act

making, not just for one hole here or one hole there but for all the fields across the northern part of this country, will be dominated by one player, the federal government.

Time and again in the development of the oil and gas industry in this country, we have seen a diversity of decision-making, a competitive nature in the industry and the ability of different elements in the industry to develop different types of technology in competition with each other, so as to make those important discoveries which in some cases have totally bypassed other members of the industry.

Let me draw attention to the West Pembina field, a very important discovery, one of the largest oil discoveries in Canada in recent years. That was the second discovery in the West Pembina field. The first one was at about 5,000 feet. No one thought there was anything farther down other than one company which had some technology. It went down the other 5,000 or 6,000 feet to the 10,000 or 12,000-foot level and made the largest oil discovery in recent years. That is the nature of the industry. If we had one dominant factor in the industry making all the decisions, maybe the West Pembina type of decision would not be made.

An hon. Member: Why not?

Mr. Wilson: An hon. member asks why not. The reason is there will be one dominant factor in the industry in the north that will be influencing very heavily all decisions. If that 25 per cent holder does not decide to go down, he can swing the vote. That is the fundamental difference. If you have a spread of ownership and decision-making, those decisions will be made.

That is how Hibernia was discovered. Two other companies had spent a lot of money but could not find anything there. Another company came in and said that if they did such-and-such, they would find it, and they did. We need that diversity of opinion if we are going to have development of this industry proceed.

As I said, our opposition to this bill is not just philosophical, although the debate does point out a very strong philosophical difference between the two parties and the little red rump at the end here. We believe the approach that we have put forward in Motion No. 17 will strengthen the private sector, strengthen the industry as a whole and strengthen the over-all development of our oil and gas resources in the Canada lands.

There are other problems we have to recognize. There are problems I related in the broader picture I presented about the greater control of the government in Canada lands and the burden placed by that control and ownership position of the government on the private sector. I do not think it is appropriate at this stage to develop all those points if I am going to hold myself to the topic of Motion No. 17.

● (1450)

Mr. Deputy Speaker: If I may have the hon. member's attention, the motion before the House is Motion No. 21. Does he know which motion he is speaking to?

Mr. Wilson: I was given the wrong number by one of my colleagues.

Mr. Deputy Speaker: The hon. member's comments have been relevant to the motion. He just happens to have the wrong number.

Mr. Wilson: Behind Motion No. 21 is the broader, philosophical approach to the whole question of Canadianization. Many people have asked what is the difference between the approach of the Conservative party on Canadianization and the approach of the Liberal party on Canadianization? As I said in my earlier remarks, when we were in government we accepted the 50 per cent objective of Canadianization in the oil and gas industry. I shall also remind members of this House that we made no attempts, contrary to what many members have said, prior to the 1979 election to weaken the operations of the Foreign Investment Review Agency. I was in cabinet and I had some involvement with the operations of the Foreign Investment Review Agency. During that time we were trying to improve the operations so that it would not be the stumbling block to investment, which has been the case since our time in government and was the case before our time in government. At no time were the operations and general intent of the Foreign Investment Review Agency undermined. I believe before and during our time in office the statistics show the operations were about the same.

We feel there is a positive way of achieving Canadianization and a negative way in achieving Canadianization. We have chosen the positive way. It involves greater encouragement to job creation and to investment in this country. It does not entail the very powerful negatives we have seen develop over the last few months.

Let me give a few clear indications, apart from the very clear differences under Bill C-48, how we would proceed on Canadianization. We would encourage Canadian ownership. The budget of the hon. member for St. John's West (Mr. Crosbie) would encourage Canadian ownership of companies through the Canadian stock investment plan. This plan would provide a shelter for Canadian investors against capital gains of Canadian-owned and controlled companies. We felt this would strongly encourage investment in Canadian companies, and would have a very positive effect on the Canadian ownership position in the Canadian oil and gas industry.

The proposal we put forward on Petro-Canada, a proposal that was made public shortly after the fall of our government in December of 1979, provided for a broad Canadian private sector involvement in that company. It also provided for Petro-Canada itself to go out, as part of its mandate, and buy a Canadian subsidiary of a multinational oil and gas company. We did not tell them they had to do that; we said that the new board of directors might find it was appropriate for the company to do it, and that they might find it was within their financial means to do it. We provided the financial means during the course of the proposal on Petro-Canada.

Another way we encouraged Canadian investment in this country was through two amendments on the treatment of