

Government Orders

In summary, what is proposed this afternoon is that we strip from the Canadian people forever, or least for as long as the North American free trade agreement remains in effect, their ability to reserve petroleum development in the Canada lands for Canadians by Canadians and in the Canadian interest. We are stripping that away and we do so knowing full well that over the long term the principal consequence of that will be the massive export of needed capital from our country.

I would welcome anyone rising in this House this afternoon to make a compelling and logical argument as to why in the face of these certainties this House should support this bill. In fact I defy any member present to attempt it.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I was interested to hear my friend from Edmonton East.

• (1640)

I want to talk to this bill on third reading because I think it is a very important bill. It is a bill that perhaps does need a fair amount of examination, but we have been through that. Examination has been done and we are at the final stages of this Parliament and I find it very interesting that some of the old arguments have started all over again.

As I understand this bill its purpose is to relax the foreign investment rules on March 25, 1992, which essentially were meant in respect to all. It was meant not only to apply to the conventional areas but also to the frontier lands, those north of 60 degrees, and the offshore which is controlled by the federal government.

It was very clear that my friend was not in favour of the relaxation of the foreign investment rules. For this reason he was very much against Bill C-106 on the grounds that it was essentially a sell-out. I am not sure if he used the term but he indicated that he was concerned about the energy sell-out.

That is one point of view but there are a number of things we had to consider in the third reading of this bill. To begin with I think there may be general agreement that the federal government in the last few years has done very little to assist the Canadian oil and gas sector during this period of great difficulty for it, one of our

major resources. It is in difficulty essentially because of low profitability.

In the general sense the idea is that the relaxation of the foreign investment rules would likely do very little to address the economic problems but by the same token, and I do appreciate what the hon. member had to say, we are caught in a crossfire between trying to do something to develop the resource and at the same time trying to restrict foreign investment and the present rules on foreign investment with respect to the oil industry as they exist. It is a very delicate balance. We tend to come down on the other side of the balance than do the NDP. In the moments ahead I may be able to explain why.

I should also point out that it is my understanding that Bill C-106 will also have the effect of amending the following legislation: the Canadian Petroleum Resources Act, the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act, and the Canada-Newfoundland Atlantic Accord Implementation Act.

I took a personal interest in this because of the existence of the megaproject, Hibernia, smack in the centre of my riding. In the case of Hibernia it was exempt from the foreign investment ownership rule because it was discovered before 1982 and the 50 per cent Canadian requirement did not really apply. However foreign investment restrictions apply to the other oil fields in the Grand Banks of Newfoundland. This is significant because more than 50 per cent of the reserves in the Terra Nova field are for sale and an open investment policy may speed up its sale. That is one concern there.

As I said earlier, the oil and gas sector in Canada is in great difficulty. I am sure the hon. member who just spoke knows this, and in fact anybody from western Canada involved in the energy and oil natural resources sector would be aware of it. It is in a financial crisis with poor profit prospects.

I have sat in on some of the committee meetings and these poor prospects are not only for now and next year in line with the economic slump we are in. The projections are that it will be in difficulty for the next couple of years. I hope this situation will not last until the turn of the century but certainly the indication from all the oil economists is that the energy industry and the oil and gas sector will be in difficulty until at least 1995. Mass