

*Canada Oil and Gas Act*

realize that we in the country had what they needed. We in northern Ontario and Quebec, in northern parts of the prairies and in the north generally—and I define the north as 50 miles out of Toronto—have waited patiently for our hour to strike, and it has struck now.

I recall my speeches in the House when I was on the government side in 1957 and 1958. The Paley report in the United States pointed out in 1952 to the American government and the American people that they would be in great danger on strategic items of energy and resources by the year 1980. On behalf of the government I stated that in our view it was Canada's opportunity. That is why we had to strike north in the northern development program; that is why the road to resources are directed toward the north; that is why the oceanography institute was put in at Bedford basin; that is why the hydrographic surveys were conducted of the north; that is why the polar continental shelf exploration program was set up and still continues; that is why we drove the Americans out of the north. It was to take every opportunity to protect the great wealth, the high trump card of the wealth of the north. These Canada lands do not concern the lands of the provinces. There are a few Canada lands in the provinces, but in the main they are located in geographic areas outside the provinces, in fact 99 per cent of them. Approximately 42 per cent of the area of this country is Canada lands in the north, that is, above sea level. But in addition under international law we have the sovereign right to develop the bottom of the sea off our coasts half way across the oceans, until we meet the other nations developing the bottom of the sea off their coasts. It includes the Atlantic, the Arctic and the Pacific oceans. It is international law, not the 200 miles mentioned in this document. It indicates that the law officers of the Crown do not even know international law.

We are debating not only oil and gas, but a philosophy of regulations which deals with all hydrocarbons in this legislation and ultimately will extend and deal with all our minerals. The wealth of the minerals will be much greater than the wealth of hydrocarbons; they are immense. I speak with feeling because this is a subject which some of us have followed for a lifetime. The oil and gas regulations of this country have been dismal.

Going back recently in history, we accepted the American-style regulations in the 1920s and 1930s in the four western provinces. Those regulations were not only lousy; they were uneconomic and unsound in every way. They led to the high grading of our oil, and when we high grade oil and leave the balance in the ground, it is waste. No matter how good or extensive our recovery systems are, the oil is left in the ground forever. In all the proven fields in Alberta, 75 per cent of the oil still lies in the ground, and they want to repeat that mistake in these regulations in an area which is many, many times greater than the western oil basin.

We can look at those regulations and see that every mistake made in the American regulations is back in there. In 1961 we got away from that in Canada when we put through the regulations on Canada oil and gas lands and mining regula-

tions. It was a compromise type of regulation, but it accepted part of the concession principle and part of the flexible grid system. We tried to have our philosophy clear in mind. It was a big improvement.

The last time the House debated Bill C-48, the hon. member for Calgary Centre (Mr. Andre) told us that the history of regulations since 1963 has been sad indeed. The government which was elected following our government in 1963 in due course put those regulations into abeyance to study them. We did not really get new regulations until 1976 when they were announced by the then minister, Mr. Alastair Gillespie. The Conservative party supported those regulations brought in by the then minister because they were an improvement over what we had before 1961. I spent four years of my life battling with oil companies in the United States, in Britain and in Canada. The record tells the story. In the September 1959 edition of the *American Oil and Gas Journal*, my terms for outside companies coming into Canada were set out in bold face print. They were not perfect regulations, and I knew they were not perfect. It was an effort to carry out the philosophy which all parties should and do hold. These oil resources—and I don't just limit them to oil, it applies to minerals and gas as well—belong to the people of the country. They can be in the provincial right, or in the federal right. It is our duty to see that we, the people, get the most out of those regulations, most of the value out of that oil, if one may use oil as the example. The regulations of 1976 were not perfect; they were really just a new version of the 1961 regulations, and we supported them. I do not think it is possible to ever achieve perfect regulations, but we should know what we are trying to do. We are trying to protect the interests of this and future generations so that we may get most of the value back into the hands of the owners of the resource. To achieve that purpose you must realize you are working with a partner, a partner who takes the risk of failure. You must provide in a fixed pledge how those resources will be shared so that the partner is sure that if he goes ahead and takes this risk that on the average he will receive enough return to make a profit. Years ago that figure was lower than it is today, but today you almost have to guarantee to your partner at least a 25 per cent return on a risk venture in our Canada lands.

● (2140)

I have proposed in this House, when the Hon. John Turner was finance minister and the Hon. Donald Macdonald was energy minister, that there was a way we could achieve this. As my record demonstrates, I have tried to be constructive with the government even though it was a different political party. The words of the former minister of finance, John Turner, bear me out. He thanked me for my proposals and the work I had done. The same goes for Mr. Buchanan. They recognized what I was trying to do with what little knowledge I possessed. But in helping the government get regulations, we not only gave the biggest share we could to the people but we also made it liveable for the partner. You cannot operate a partnership if the deal is not mutually advantageous to both sides.