

competitive bids and only one criterion will apply: the best bid will be accepted.

Mr. Speaker, you will see as well that the Bill provides for the State to play a much less important role in oil and gas projects. We have repealed the back-in provisions which gave the Government the right to expropriate commercial oil reserves.

Petro-Canada will no longer be given preferential treatment. However the new legislation maintains the right of Canadians to become owners of 50 per cent of projects in remote regions.

Mr. Speaker, I repeat that the development of resources on our frontier lands is a costly and risky project. By changing the structure of the royalty payment system, Bill C-5 encourages the industry to meet this challenge.

With respect to the resources, our royalty system will guarantee a fair distribution of revenues among owners and developers. It will enable the industry to yield decent profits on its frontier land investments before Governments, the owners of the resources, get their share of royalties. The profit-based system, which eliminates the discriminatory practices of past years, has received the general support of the industry. It will contribute to create the incentives required for a renewal of activities.

Now that we have reached third reading of Bill C-5, I would like the House to recognize the significant contribution of the Legislative Committee to this Bill. Its thorough examination has resulted in useful and constructive amendments to the Bill.

One of these amendments provides that the Minister of Energy, Mines and Resources and the Minister of Indian and Northern Affairs (Mr. McKnight) will each appoint from the public one member to the Environmental Studies Management Board. The board, which is made up of representatives of the Government and the industry, manages the Environmental Studies Research Fund, the purpose of which is to finance technical research on the sociological and physical environment in frontier areas.

Other amendments extend the rights of property owners to do exploration and development work in areas of significant discoveries, and increase the rights of production permit holders to continue their exploring on producing lands.

The entire process has hinged on consultation. We have been sensitive to the concerns raised by all parties, especially representatives of the native people.

Other representations were made concerning the information which corporations eager to develop resources in frontier lands must provide the Government. In this regard, we have no intention to impose a heavy administrative burden on our entrepreneurs; what we want is for the state to have the information it needs to assume its responsibilities under this legislation.

On behalf of the House, Mr. Speaker, I should like to thank the Committee for its contribution in the study of this Bill.

Canada Petroleum Resources Act

During the session, the House will also deal with the Atlantic Accord Implementation Act, and we will introduce shortly a Bill dealing with the implementation of the Canada-Nova Scotia Accord which has just been signed. These legislations will make up the next two stages of our policy to ensure the joint administration of our gas and oil resources in frontier regions together with regional Governments, which have asked, rightfully so, to have their say about oil and gas activities in their regions.

Mr. Speaker, the Canada Petroleum Resources Act will serve as the corner stone for the development of oil resources in our frontier regions. The proposed legislation deserves the unanimous support of the House.

● (1720)

[English]

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, this Bill has been on the Order Paper for a considerable period of time. It seems that the Government has not deemed it fair or fit to make changes or do something to stimulate the energy sector offshore in eastern Canada and in the Beaufort Sea area. It is very sad that the Government has sat and watched the price of oil and gas plummet and has stuck with its pathetic effort in Bill C-5 without any regard for what is happening to the industry.

We covered a great deal in report stage. We referred to the situation in the Beaufort Sea. Activity in the energy sector in the northern part of the country has pretty well come to a halt. The unemployment which this will create will be devastating to the high Arctic and to other areas in the Northwest Territories and Yukon. There will be a great deal of unemployment. The fragile economy of the area will be dealt an irreparable blow. The young people who were encouraged by the previous Government and by this Government to partake in the energy sector will now be unemployed, young people who do not have experience in the traditional occupations carried out in the high Arctic.

There has been a tremendous loss of activity in Atlantic Canada. This time last year there were many rigs operating offshore in eastern Canada, whereas there are now only two. These two rigs which are operating off the coast of Newfoundland may be halting their activities very soon.

As far as Nova Scotia is concerned, there is one Mobil Oil rig operating off its coast. We expect an announcement very shortly concerning Mobil's future. I am afraid that it will join the other oil companies and cease operations off the coast of Nova Scotia. It is tragic. Less than a year ago 11 rigs were operating off the coast of Nova Scotia and now there is only one. Thousands of people have lost their jobs. Offshore service industries have ceased to function.

While there is a downturn in the activities of these industries, they have also found that the Government has kicked them from the blind side by reducing incentives from the National Research Council which would allow them to