

Canada Oil and Gas Act

[English]

I have said that the government wishes this bill to be considered in committee so that it may be considered in detail and so that hon. members may have an opportunity to hear witnesses. We on this side of the House will be very open to suggestions for improvements. I am confident that the members of this House share our concern that the industry should be provided with some certainty as soon as possible regarding the tenure of oil and gas rights in the frontier regions coming under the Canada lands.

I therefore commend Bill C-48 to early consideration in committee, and I commend it to the House generally.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, we are today debating the legislation which will set the framework for energy development in the Northwest Territories, the Arctic Islands and offshore in the north, as well as on the east coast and the west coast, for years to come. It is the framework for what will probably be the most significant area of energy development in Canadian history. Unfortunately, since this bill was tabled on Tuesday for first reading, we have only had two full days to study the bill before we are put in the position of presenting some preliminary views. It is not sufficient time to do justice to the legislation, which is very complex and very far-reaching. Therefore it is important that we have good committee hearings to understand the full complexity and full impact of the legislation.

The results of exploration to date in the Mackenzie Delta, the Beaufort Sea islands, the Arctic islands, and the east coast offshore, have been very exciting to date. There is great promise for the future. It is essential, therefore, that this legislation provide a very positive framework for future development and for increased exploration in these areas. The east coast is a very exciting area, not only because of the size of the potential of the discovery that has been made there to date, but also because of the very strategic location of these new resources in view of our over-all vulnerability to offshore sources of oil, particularly the very volatile Middle East.

● (1550)

Atlantic Canada and Quebec are totally dependent on offshore sources of oil at this time. By 1985 we expect that Ontario will commence using imported oil. Hibernia and other discoveries off the east coast will transform this picture. It will also transform the development of the east coast, not only in terms of the economic development but also in security of supply, and with regard to the regional balance between that part of the country and other provinces, as well as our international balance of payments. It is essential, therefore, to treat Bill C-48 with the utmost respect, to deal with it expeditiously but with great care, because of the impact it will have on our energy development.

The broad objectives of this legislation are worth while and are certainly acceptable. One might go so far as to say they are motherhood; they are intended to increase production and Canadian ownership, as well as to provide a very stable tax environment. I agree with the minister when he says that it is

important to have this legislation. We have been waiting for it for about ten years now.

Let me trace the sorry history of the life of this bill, Mr. Speaker. It goes back many years. Until now, the regulations under which the federal government makes oil and gas rights available for development have been the Canadian oil and gas land regulations. These were promulgated under the Public Lands Grants Act and the Territorial Lands Act. In 1970 we were promised new rules under these acts, and in 1973 in the "Energy Policy for Canada, Phase I," the federal government document, it was noted:

—these land regulations are currently under review. No new federal permits have been granted since March 1972.

In May, 1976, the then ministers of energy, mines and resources and of Indian affairs and northern development announced the elements of a petroleum and natural gas bill which was to be placed before Parliament later that year. About a year later we got the Canada oil and gas act and were promised speedy action on it, but 15 months later there was an election so there is still no Canada oil and gas act. Now, almost three years later, we finally see this legislation come to light.

This delay is shocking, Mr. Speaker. It is irresponsible to expect companies to operate in an environment when they have no idea what the ground rules will be. In fact the minister has changed some of the ground rules to the significant detriment, not of the multinationals as he keeps saying in this House, but of the Canadian-owned independent companies that he is looking to, to play an important role in developing the Canadianization of the oil industry. That is the kind of company that is being hurt.

This delay, going back to 1970, has cost Canada valuable years in reaching oil self-sufficiency. It is important that we get on with the job now. If I may say one positive thing, I would commend the minister for finally bringing this legislation forward.

We must study this new legislation very carefully and look at its objectives. It reveals that the stated objectives have been seriously undermined by the specifics of it. Today, I will only judge the legislation on the minister's own criteria, on the over-all objectives to achieve self-sufficiency in this country and to increase Canadianization. These are two of the principal objectives of his National Energy Program. I will also comment on the retroactive nature of the 25 per cent back-in by the Crown, the whole question of offshore jurisdiction for resource ownership, the international implications, and the very important element of ministerial discretion which is rampant throughout the bill.

Let us take the objective of self sufficiency. In the National Energy Program, frontier and offshore reserves are not included in any discussion of the producibility in the industry leading up to 1990. In the program it is stated that conventional sources will produce about 713,000 barrels per day and non-conventional sources will produce about 730,000 barrels per day. These figures are suspect, first of all because of the changed economics brought in by the National Energy Pro-