

Canada Oil and Gas Act

That Bill C-48, an act to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, be amended in Clause 27 by striking out line 40 at page 15 and substituting the following therefor:

"fifty (50) percent share".

Mr. Deputy Speaker: The hon. member for Etobicoke Centre.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I am glad some hon. members are saying just Etobicoke because pretty soon it will all be Conservative in Etobicoke and you will just have to say Etobicoke.

Mr. Deputy Speaker: If the hon. member will speak to the motion before the House, please.

Mr. Wilson: Mr. Speaker, this is a motion which will point out very clearly the distinction between what we in the Progressive Conservative Party stand for and what the socialist elements of this country, the Liberals and the New Democratic Party, stand for. I am glad the hon. member has finally admitted that his party is the socialist party in this country.

● (1430)

Mr. Lang: You are against Canadianization.

Mr. Wilson: I am glad the hon. member refers to Canadianization. I am going to point out to him a means of achieving Canadianization without the tremendous cost entailed in the Canadianization—nationalization—approach the federal government is following in Bill C-48.

Mr. Chénier: Tell us about Petro-Canada.

Mr. Wilson: The Progressive Conservative approach is a very simple approach.

Mr. Chénier: Simple and simplistic.

Mr. Wilson: We have supported the objective of 50 per cent Canadian ownership of the oil and gas industry. When we were in government, we administered the Foreign Investment Review Act to that end and, during that period of time, my colleague, the hon. member for Saskatoon West (Mr. Hnatyshyn), administered and was moving toward a broader energy program which would do just that as well; but the very fundamental difference was that we would encourage Canadian ownership, we would encourage investment by Canadians and we would not take the negative approach of discouraging foreign ownership.

The different means of achieving this is the very key to the motion we are debating right now. It is a very important motion in relation to its impact on broader economic factors, particularly the level of interest rates in this country, and I want to come back to that later on in my remarks.

Mr. MacLaren: Don't hurry.

Mr. Wilson: The hon. member says "Don't hurry," because he does not want to hear about the link between his approach to Canadianization—nationalization—and the impact it has on interest rates in this country. He has walked out because he cannot bear to hear the truth.

Mr. Kelly: He has heard it before.

Mr. Wilson: The motion on the Order Paper in my name is a means by which we could maximize Canadian private sector investor involvement in the development of oil and gas on Canada lands. We would ask the operator of any project on Canada lands to seek out the maximum Canadian ownership. In fact, we would provide an incentive for the operator to seek out the maximum Canadian private sector involvement in any project or consortium. To the extent that we would not be able to achieve 50 per cent Canadian ownership, at that stage we would ask the Crown, either through Petro-Canada or another Crown corporation, to take up the shares necessary to achieve the 50 per cent Canadian ownership objective.

Mr. Lang: Is this the newest flip-flop?

Mr. Wilson: This would be using the Crown corporation in the traditional Canadian way. If the private sector is not able to achieve a national objective, at that stage the Crown corporation comes in and achieves that objective. In this way we would encourage Canadian ownership. We would maximize the development of projects in the north and off the east coast, and again we would use the Crown corporation in the most appropriate way, as opposed to imposing it on every development in the north.

Let me come back to that because there is a very important difference in that there would not be the same level of confiscation. There would not be confiscation in the approach we would take. It would be done through encouragement of the private sector, which historically has been the way in Canada. What I want to do is to set out the current approach of the Liberal government to the development of Canada lands, because it is within the over-all context of government control and ownership that we must view this whole matter. Under this bill we know that the Crown corporation will have the right to take 25 per cent of every project in the north. We also know that under this bill the Crown corporation would be able to convert that 25 per cent ownership interest at no cost to a working interest when the production stage is reached and after a considerable amount of money has been spent on its behalf. Again let me underline the fact that this would be at no cost to the Crown corporation.

During the exploration stage the government and the Crown corporation would have access to all confidential information produced by the consortium, again at no cost to the government or to the Crown corporation. During this period the Crown corporation would have a vote on all decisions taken by the consortium. That means it would have a vote on any exploration work and any decisions affecting future develop-