

*Canada Oil and Gas Act*

● (1730)

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, when I hear the hon. member for Calgary Centre (Mr. Andre), I think of the generals who are preparing to fight their last war. I cannot understand why he gave another 20-minute speech against the National Energy Program when the Premier of Alberta, Mr. Lougheed, has accepted the program in his deal with Ottawa.

Let us deal with reality and with this bill. I am glad to learn the hon. member was a member of the Committee for an Independent Canada, like many of us in this House. But I thought he was a pimp for the oil industry when I listened to some of his speeches.

I should say to the hon. member for Etobicoke North (Mr. MacLaren), whom I see laughing over there, that when he referred to Etobicoke, that great municipality in the west end of Toronto, he reminded me of the time I lived there as a boy. Etobicoke for many years had a reeve named Ozzie Waffle. When I listened to the hon. member for Etobicoke North, he reminded me of the nickname we had for Ozzie Waffle. We used to call him "Woozie Awful". I thank the hon. member for bringing back those memories.

**Mr. Regan:** It is a sign of old age to reminisce.

**Mr. Waddell:** The hon. minister of whatever he was demoted to over there says it is a sign of old age. He should know.

The Chair ruled that Motions Nos. 21 and 22 were to be debated together, which is a good idea. The Chair also ruled that when Motion No. 21 is disposed of, this would dispose of Motion No. 22. I would ask the Chair to look at that ruling further. The motions are quite different. Motion No. 21 in the name of the hon. member for Etobicoke Centre (Mr. Wilson) deals with the Canadian ownership rate and with bringing more private enterprise into the measure. My motion, Motion No. 22, would have the opposite effect. It deals with giving Petro-Canada 50 per cent backing. In this bill, the government has suggested a 25 per cent interest for Petro-Canada. It is quite clear there are three points of view on this issue. Perhaps the Chair would consider this further. I submit that the votes on Motions Nos. 21 and 22 should be separated. I ask that the Chair reserve judgment on that.

I now wish to speak to Motion No. 22. I saw the hon. member for Athabasca (Mr. Shields) in the House earlier. I met him this summer in Fairmont Hot Springs, a beautiful spot. The beauty has not changed in the last 30 or 50 years. I said to him, "Isn't this a wonderful place?" He agreed with me and asked, "Could you ever develop it?"

Let us look at what we are doing in development. I do not understand the reasoning of other hon. members who have spoken on this motion, including the hon. member for Athabasca. When more than 90 per cent of every exploration dollar has been covered by the taxpayer, how can they say a 25 per cent Crown share is expropriation without compensation? We have to remember who the original owners of this oil and gas are. The hon. member for Calgary Centre asked for a list

of countries which had taken over property. As far as Canada is concerned, surely that property was ours in the first place. It is not theft or confiscation. We own 100 per cent of that oil and gas. I will prove later on that through amendments the government has brought in, the companies are going to be more than adequately compensated.

I heard the argument that we were changing the rules in the middle of the game. When the government introduced the superdepletion allowance, where were my friends to the right? Did they get up and accuse the government of changing the rules in the middle of the game? Not likely. When the budget comes down next week and changes the taxation of some of our constituents, are my friends to my right going to get up and say this is changing the rules in the middle of the game? It is an absurd argument because it is our game and our oil and gas. Perhaps that is Tory logic.

The government has already backed down in dealing with Section 27 of the act. I draw your attention to the remarks of the minister in committee on January 20, 1981. He made all the arguments I have just made. He said in that committee, as reported at page 16-7:

What, then, could anybody mean by terming this a "free ride"? Obviously the Canadian taxpayer is simply getting value for his tax money being used to finance and support oil and gas activities in the frontier regions.

He goes on to talk about the money Canadian taxpayers are contributing to exploration and development. He goes on to talk about the absurd argument about changing the rules in the middle of the game. Yet the minister, in response to the howling of the oil industry and their friends to my right, made changes in the act.

I quote from an article in *The Globe and Mail* dated May 15, 1981, an article by Jennifer Lewington. It states:

Energy Minister Marc Lalonde has announced a number of limited modifications to the federal government's proposed oil and gas legislation, including compensation for past exploration costs associated with the Crown's retroactive 25 per cent stake in oil and gas rights held by companies. The concession means that the government will make payments in respect of 25 per cent of qualified exploration expenses on an oil and gas discovery resulting from a well started before December 31, 1980, and which is declared a significant discovery before December 31, 1982.

Previously the government offered only to pay its share of costs once the 25 per cent Crown 'carried interest' was converted to a 'working interest', prior to a production licence being issued to industry.

The compensation, based on a formula, will be paid out of the Crown's share of future production.

The formula allows for those expenses incurred up to December 31, 1980 to be escalated at a rate of 15 per cent a year. The government then pays 250 per cent of the escalated value of the eligible expenditures as first claim on the commercial production coming from the 25 per cent Crown share.

Well, Mr. Speaker, the government already knuckled under on this matter. I do not know what my friends to the right are screaming about. What has happened is that in the past we paid 90-cent dollars to finance this exploration, and in the future we will pay 250 per cent. The hon. member for Calgary Centre said I would no doubt raise that point. Well, I am raising that point. It is quite clear that the government is going back and compensating the industry, and so we have to pay twice.