

*Energy Policy*

cial corporation or any provincial taxes on the income of permit holders in this offshore region. They are allowed to get 75 per cent of the royalties and fees, whatever they may be and whenever they come in, but they are not allowed to impose any other provincial tax on the income of the permit holders. That is some deal!

They have the maritime offshore resources board with three members from the three provinces and three from the federal government. If any decisions cannot be agreed to, or if there is a tie in any particular respect, the Minister of Energy, Mines and Resources is the final authority. It is a complete sell-out, an admission that the federal government has complete control. That is not acceptable in Newfoundland; it is not acceptable in Quebec. It is not acceptable to the Progressive Conservative party of Canada which has a policy entirely contrary to the one being administered by this government. This is a party that believes in a federal system. It believes in having strong regions and strong provinces as well as a strong federal government.

● (1540)

This party has made it clear that when it takes power the PC government is going to recognize the offshore provinces as having ownership and control of the minerals that lie off their shores on the continental shelf. It will give them some kind of a future. We all know that when the money comes in, if it ever comes in, eventually it will reduce the equalization payment and the need for it. But that is not the only reason. These provinces want to control the rate of the development. They want to see their own citizens share in it. They want to see that the oil companies build onshore in their province if they are using their resource offshore, and for a variety of other reasons. That is enough, I believe, to ensure our support in British Columbia and all four of the Atlantic provinces when the next election comes.

At the time publicity was given to this agreement between the maritime provinces and Canada, the Minister of Energy, Mines and Resources indulged in a bit of bullying. He decided that he would bully the province of Newfoundland while this agreement was being announced and he made a statement that EastCan had been talking to him and told him they were not prepared to go ahead with an exploration program next summer unless a dispute between them and the Newfoundland government over oil and gas regulations proposed by the Newfoundland government was settled. Now the Newfoundland government has prepared its own regulations and regime for the offshore, just as the federal government did a year ago. We have not seen the federal government's regulations since. They were promised last year but the regulations and the legislation are still not here. Well, Newfoundland is doing the same. It is giving the oil companies its suggested oil and gas regulations for their comments. So the minister made the statement that EastCan was not going to explore or drill next year because of these regulations which Newfoundland proposed and because of the jurisdictional dispute. This was an attempt to bluff the province of Newfoundland into surrendering on the offshore minerals question.

**An hon. Member:** Oh!

**Mr. Crosbie:** Well, if the hon. member would look at the editorials down there he would see what they thought of that. We in Newfoundland are not going to be bluffed into giving up anything. We are waiting until the hon. gentleman from Bow River, Rocky Mountain, or whichever that great district is, gets in. Mr. Speaker, the minister said he intended to intervene with the government of Newfoundland and that he hoped "moral suasion" would convince the province to change its stand. Here is a man who is trying to steal our resources, proposing to use moral suasion on the government and people of Newfoundland.

**Some hon. Members:** Shame.

**Mr. Crosbie:** I should like to know whether EastCan authorized the minister to say anything about their discussions with him. I can tell him from the clippings I read that they were amazed and surprised that he had said anything like this. I am sure they do not like the federal regulations either, because oil and gas companies do not like any regulations which are going to be less generous to them than they were in the past. If the minister wants EastCan to go ahead next summer offshore and spend money, I suggest he settle their minds by agreeing that Newfoundland has jurisdiction, and that he does this by withdrawing the federal claim so that the company will be able to go ahead and deal only with Newfoundland.

It is strange, Mr. Speaker, but in the United States where the courts upheld that the federal government owns the offshore, and in Australia and other jurisdictions, the federal authorities have made much better arrangements with their provinces and states than has been offered by the federal government of Canada. It is because this government wants a unitary state. The Liberal government wants all power and authority in Ottawa, and they want to dragoon Newfoundland and Quebec into surrendering also. Mr. Speaker, under our policy the six coastal provinces of Canada will have brought to them relief from this onerous and crushing federal master that wants to take everything and give nothing in return. The other alternative to a new government being elected is to go before the courts, and that is where Newfoundland will go. It will never surrender on the offshore question.

I do not have time to deal with these matters now to the extent they deserve, but I would like the minister to know that we are not going to be bullied in Newfoundland. This illustrates something I want to say in connection with my third point. The document entitled "An Energy Strategy for Canada" refers at pages 5, 28 and 136 to the importance of oil and to the importance of hydroelectric power. We read on page 4 that hydroelectric power is currently the most important renewable energy resource in Canada. On page 28 mention is made of financial support for provincial or interregional nuclear generation and interregional electrical connection. We also find a note about the importance of developing hydro. On page 136 we read the following: