

of the country. Considering that unemployment insurance represents one twelfth of all personal income in Newfoundland, compared with one fortieth in the rest of Canada, it is not difficult to understand why this question is so important to us. We feel it is a matter of absolute urgency. I feel it is absolutely essential that they get back to the bargaining table.

This is not a panacea for our economic ills. It will be very expensive oil to produce and, hence, the rate of return will not be that great as from oil produced onshore. It will be some considerable time before the benefits start to flow to us. Granted, there will be spin-off effects. We know of the experience in Scotland and in Norway. We can learn from what happened in these countries and benefit from it. Indeed, studies have indicated that certain things should be in place, and they are being put in place.

All of these things notwithstanding, it is not difficult to understand why oil companies, which have spent millions and millions of dollars on exploration and drilling, are in no hurry to get on with it. It is because they feel—and I think this is a reasonable position—that the question of jurisdiction must be resolved soon. It should not be resolved by some long, drawn out litigation before the Supreme Court of Canada, but by serious negotiations between the Government of Canada and the government of Newfoundland. These negotiations would take place within the spirit of confederation, the spirit of sharing, in the spirit of Newfoundland not wanting it all for itself, but wanting a part of it, wanting to get on with it, wanting to share it with the rest of Canada. But Newfoundland must reserve as its bottom line—and this is nothing to negotiate—the right to control the rate of development because we know how crucial it is to the very delicate social and cultural character of the region in question. That is all we are requesting. It is not unreasonable.

Within the bounds of that limitation, within that general area, within the spirit of the July 6 letter of the Prime Minister to which I just referred, and within the spirit of the speech he made in St. John's earlier this year, I believe there is a degree of flexibility coming into this difficult bilateral question between Newfoundland and the Government of Canada which was not there before. I caution the Minister of Energy, Mines and Resources (Mr. Lalonde) to recognize it for what it is, to seize upon it and to take advantage of it.

**Some hon. Members:** Hear, hear!

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I should like to take part in this debate. This bill has been a long time in committee. I want to make some comments about the committee hearings. There are some very important aspects of the bill, especially for people who live on the east coast, on the west coast or in the north of the country.

Recently I looked at a cartoon which appeared in the *Alberta Report* on May 29, 1981. It depicted the Minister of Energy, Mines and Resources (Mr. Lalonde) as a chef. He was lifting the lid on a cake dish. The words "Lalonde' NEP Amendments" appeared on the lid. Since he had lifted off the lid, one is able to see the amendments which were made in

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committee. The cartoon depicted a four-layer cake, each layer indicating an amendment. The first layer was entitled, "Back-in compensation". This means that the government changed its original position and made it a little easier on the companies in which Petro-Canada will take a carried interest. The second layer of the cake read, "Royalty holiday expansion". This means that the government gave the companies a little longer in their royalty holiday—a tax break. The third layer indicated, "Exploration Licences Extended"; and the fourth layer of the cake read, "Petroleum Tax becomes 'Royalty-Deductible'".

In other words, the cartoon was trying to show that, as a result of the amendments to the bill brought in by the minister in committee, the people who benefited were by and large the oil companies. The minister did not bring in any amendments to benefit other affected groups. One group was mentioned, that is, the people who make their livings on the east and west coasts fishing or operating pleasure boats in terms of environmental concerns, and the northern governments and their role. The government brought in amendments which basically helped oil companies. In doing so, it is my position that basically the government was giving in to American and oil company pressure.

Recently we have heard a lot in the news about Americans pressuring the Canadian government and the minister saying that he would stand up to that pressure on oil policy, yet we see here the government giving in to American pressure. First, it makes it easier for the bigger companies by bringing in the amendments which are set out in the cartoon to which I referred and, second, it has backed off from Canadian control of the oil industry and is not requiring the stringent degree of Canadian control which was in the second reading draft of the bill.

I say that the government gave in to the Americans and that the companies are happy. As a matter of fact, it was indicated in the *Financial Post* that after the minister brought in his amendments to Bill C-48 oil stocks rose. The companies are happy, but who lost out? I say that all Canadians have lost out as the result of the amendments of the minister. We will not really have a Canadian-owned industry off the east coast, the west coast or in the north. We will pay more in incentives and grants. We will pay so much in incentives and grants—92 cents to 93 cents of every dollar—that with that money we could buy Dome Petroleum and some of the bigger companies to whom we are giving the money.

• (1550)

Third, the companies will not be Canadian controlled. They will be, American controlled shells. The bill speaks of Canadian ownership, not American ownership. Thus, when we talk about the east coast and the oil plays there, such as Hibernia, and the control of those plays, we will see large American companies such as Mobil still calling the shots. Supposedly this is a government which favours Canadianization.

Worse, there are no job guarantees for Canadians. The environment is lost. Under this legislation the minister can even authorize a spill. There is no role for the Minister of the Environment (Mr. Roberts) to play in this bill. The bill deals