

*Canada Oil and Gas Act*

Newfoundland, I think it is nothing short of criminal that we are not allowed to enjoy the returns from these resources and share them with the rest of Canada by providing energy for an energy hungry nation which could be, given the right policies, self-sufficient and one day will be.

In a letter to a member of the Newfoundland legislature which appeared in the press on July 6, the Prime Minister, reasserting the position outlined in the policy paper, said this:

We have constantly held the view that the Government of Canada owns and has jurisdiction over all offshore resources and that if the provincial governments disagree, the matter should be referred to the Supreme Court.

Notwithstanding our views on the ownership question however, we are eager to get on with the job of developing these resources in close co-operation with the coastal provinces. While in the government's view, these resources belong to all Canadians we recognize the special opportunities and problems which their exploitation will create for the provinces nearest to them.

I see a glimmer of hope in that paragraph of the letter. I see the door being opened a little bit. I hope I am not overstating the case because I believe you have to get back to that kind of flexibility, that kind of give and take which has characterized relationships between the provincial and federal governments, if we are to resolve this issue satisfactorily and quickly. It is that kind of give and take which will make it possible for us to reach agreement.

I do not think I am exaggerating if I read in that paragraph a sudden awareness of what the Newfoundland government has been trying consistently to say throughout, namely: We must control the rate of development and exploitation; we must be in a position to protect the interests and aspirations of our people, the social, economic and cultural fabric of our province. In addition, there is the very delicate environmental question with respect to the fisheries resources because, let us face it, we are talking about a renewable resource. If managed properly, it will be there for all time. Of course, here we are talking about a finite resource, although we are told there is a very extensive amount of reserves.

I believe very strongly, Mr. Speaker, that the time is right for us to get on with an agreement. I say with respect to the hon. gentleman who sits over there and holds the responsibility for dealing with the provinces on matters of energy, he is not going to get anywhere by being abrasive. He is not going to get anywhere with the provinces by being insulting, condescending, by refusing to recognize the legitimate rights and aspirations of the provinces within the two layer governmental system that is our country. Failure to recognize the sensitivities of the provinces with respect to their own jurisdiction under the existing Constitution will get the minister nowhere, as has been demonstrated by his experience in dealing with the provinces.

As I said, Mr. Speaker, there are other equally important aspects of this bill which will have to be dealt with either at report stage or third reading. There are the environmental aspects of the bill. The question of a major blowout, for example, and the damage it could do to our fisheries resources, our groundfish stocks on the continental shelf. These are the most prolific fishing grounds in the world. We know what happened in the Gulf of Mexico when they were not prepared

for it, and I hope we have learned something from their experience. When I had the responsibility of administering Canada's fisheries I sent observers down there to experience first hand how they were dealing with the environmental impact of that massive blowout.

In the time I have remaining I would just like to reaffirm the position we put forward as a government, which has been deliberately misinterpreted time and again. I want to state our position with respect to the offshore which was contained in a letter dated September 14, 1979, from the Prime Minister to the Premier of Newfoundland. That letter outlined four principles as follows:

(1) That the province of Newfoundland should own mineral resources of the continental margin in so far as Canada should own them.

● (1540)

This is important because the Premier of Newfoundland stated—and I agree with him—that every member of the Newfoundland House of Assembly agreed with him that ownership determines who will control the rate of development and the rate of exploitation. This is why it is crucially important. It is not ownership in terms of wanting to grab it all for yourself and not wanting to share it with Canada. It is ownership in terms of managing the resource. It is ownership in terms of saying to the oil companies: "This is the rate at which you will develop, this is in the rate at which you will exploit; the rate has been determined by the socioeconomic factors of the region". The letter continued:

(2) That ownership and legislative jurisdiction would be consistent with and subject to the division of legislative competence as between Parliament and the provincial legislatures under the Constitution of Canada.

This is also important because it takes into account and recognizes the pre-eminence or paramountcy of the Government of Canada in protecting the environment and of the Fisheries Act, which certainly controls development in terms of its impact upon the environment. It is the law of the land. Nothing is changed by the dispute, nothing is changed by the Canada Lands Act. It will still hold true, just as it would have held true if the agreement we offered the provinces had been consummated. The letter continued:

(3) That the Government of Canada would continue to have legislative jurisdiction in certain areas such as the environment, shipping and so on.

(4) Those principles would be confirmed by the signing of an agreement between the two governments and by appropriate legislative action and constitutional change.

This was the proposal we put forward. It was simple, straightforward, and designed to satisfy the legitimate concerns of Newfoundland with respect to what is a very delicate environment and its legitimate desire to protect that environment and the renewable resources it produces not only for ourselves but for the world.

Newfoundland is the poorest province in Canada. It enjoys only 53.6 per cent of the earned income of the average Canadian. Its unemployment rate continues to grow. None of us in Newfoundland can take any pride from the latest unemployment figures which show that the rate of unemployment in our province went up, whereas it went down slightly in the rest