

Prime Minister Clark to Premier Peckford of Newfoundland. That letter outlined four principles, two of which were that the province of Newfoundland should own the mineral resources of the continental margin in so far as Canada could own them, 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. The other two principles are that the Government of Canada would continue to have legislative jurisdiction in certain areas such as the environment, shipping and so on and that those principles would be confirmed by the signing of an agreement between the two governments and by appropriate legislative action and constitutional change.

A similar letter was sent to every coastal province in Canada. That is the "Magna Charter" of Newfoundland. That is the "Clark Magna Charter" for Newfoundland, and Newfoundland will accept no less. Confederation without this agreement will be a very dubious proposition and the government might as well get that right through their heads. It is a very tenuous proposition until the government recognizes that this is how it must be. Considering that Newfoundland is the poorest province in Canada with only 53.6 per cent of the earned income of the average Canadian and with unemployment insurance representing one-twelfth of all the personal income in Newfoundland as compared to one-fortieth in the rest of Canada, there is no way Newfoundland and Labrador will give up this opportunity. That is the way it is going to be, or it ain't going to be. That is the fourth reason why we are opposing this bill.

What principles should govern energy policy? Any energy policy in this country must be governed by two overriding principles. One is that if a proposal does not lead to self-sufficiency in oil sooner, then it should not be implemented at all. The second principle should be that if it does not contribute to national unity it should be a no show. Those are the two overriding principles, but they are not the principles which are contained in this bill or in the energy policy because Canada will never reach self-sufficiency in oil under the policies which have been put before us by the government.

And why not? We see it around us every day—the Alsands tar sands plant being cancelled by next June if the government does not change its policy because they cannot make a go of it with the present pricing regime. This is an \$8 billion project. It could be completed by 1987 if the project starts in June. It could produce 147,000 barrels of oil a day if the project went ahead in 1987. But these projects, the oil sands and the tar sands plants, will not go anywhere unless the policy is changed. Take the \$9 billion Cold Lake heavy oil recovery project. Imperial has stopped that. It would provide 140,000 barrels a day if it were completed. The present government has had to pony up \$20 million of \$40 million just to keep the engineers and support staff together while another few months go by to see whether the project will go ahead or not. The Judy Creek oil field \$400 million advance recovery project would give 15,000 to 20,000 barrels a day of advanced or tertiary production. That project is now stopped. On and on the story goes.

Canada Oil and Gas Act

Oil drilling rigs and machinery are leaving the country in droves, Mr. Speaker. If we look at an analysis of capital investment for next year, we see, according to the Conference Board of Canada, a distinct drop in planned investment since the budget. Over all, 45 per cent of the respondents said government policy had an adverse impact on their capital spending. Higher interest rates affected another 35.5 per cent. Over 45 per cent of the respondents are having their investment decisions adversely affected by the government's energy policy. On and on it goes because the private sector can see there is no room for them in this game unless it is willing to put itself under the thumb of increasing state bureaucracy and control. The private sector companies are not the type of companies who will buckle down to that. They will buckle out before they buckle down.

● (2100)

On November 28, I sent a letter to the provincial treasurer of Alberta. He replied to my letter on November 30. We had an agreement in principle about what was to happen on energy pricing in Canada. We were not agreed on the form of the energy tax we were to impose to take all of the revenue from the oil and gas industry in excess of the revenue they would get from increases of \$2 a barrel a year. We were not agreed on what kind of tax there would be. There were some minor disagreements such as that. Our policy was outlined in the budget and it was agreed to by them. If they did not agree with the rest of it, we could have imposed a unilateral solution, but it would not have endangered Canada because we had a large measure of agreement by then on the essentials, that is, on the most important things. We did not cause a crisis on confederation because we knew the susceptibilities of the west. We knew the west had to have a decent deal. We had to bend over backwards, just as the government opposite has had to bend over backwards in the past to satisfy other areas in the country. But this government across the way did not want an agreement with Alberta. This government wants to crush Alberta. It wants to use its powers to take over the tar sands. The government wants to use its disallowance power. The government wants to use the powers it undoubtedly has to crush Alberta. Well, to crush Alberta is a pyrrhic victory. There will be no tar sands plants. There will be no heavy oil plants. There will be no Judy Creek. There will be no offshore oil and gas when the government starts trying to crush Alberta and trying to crush Newfoundland, because those provinces will not be crushed. We will crush back. There will be no development. There can be no development in the tar sands. There can be no development at Cold Lake if the province of Alberta will not put up the infrastructure. The federal government can exercise its rights and get title, but how will the government be able to develop all of this if it cannot find a town and if there are no sewers, no pipes, no roads and no people because Alberta will not provide the infrastructure? I say, drop this nonsense. I say just drop the central Canadian smugness that you are so guilty of here. You should start to realize there are other parts of Canada and you will get a lot further with a conciliatory, reasoned approach than you will