

*Canada Oil and Gas Act*

another 40 years of development in the western Arctic, and that region will be much further advanced than were Saskatchewan and Alberta at the time they achieved provincehood. As a matter of fact, I do not suppose the western Arctic has many fewer people than Alberta did in 1904 when the Government of Canada consented to the formation of the provinces of Alberta and Saskatchewan. If I remember correctly, my native city of Edmonton had a population in 1904 of between 2,000 and 3,000—including stray dogs!

**Mr. Hnatyshyn:** There was a Liberal party even then.

**Mr. Lambert:** Yes, and it finagled the election in 1905. Be that as it may, it is not the lack of people that should hold back the western Arctic and the Yukon. I was in the western Arctic last summer, I was in Yellowknife and Tuktoyaktuk, and I could see that the people there want to have control of their affairs. We know what the administration is doing in the Yukon. The Yukon is not far from achieving provincehood. I say not far; it could be ten years, but during the course of history a ten-year period is relatively short. I would love still to be part of this operation here on the day we can say that the Yukon and the western Arctic shall be given provincial status. However, if we let Clause 27 and Clause 28 operate freely, the Government of Canada will try to pump that region dry so that it cannot turn over any inheritance. Those resources have been held in trust. They are undeveloped. They are held in trust by the Government of Canada until there shall be sufficient peoples to develop them for the people who will come to establish a province. The Government of Canada is behaving like a pair of rascal equity lawyers—or chancery lawyers; I have to be careful here—who are out to despoil the estate before it is turned over to the heirs. That has happened many a time it is said. It is the greatest shame that any assets should be left in any estate to turn over to the heirs!

The same philosophy applies in this Canada lands bill: it would be a shame to turn over any of the lands of the Territories and offshore to the provinces if there are any resources left in them.

**Mr. Peter Elzinga (Pembina):** Mr. Speaker, in dealing with Motion No. 23 as it pertains to Clause 28, and as I did in the previous discussion on the prior motion, I would like to discuss some of the different philosophical concepts which are being presented in the House.

With the passage of Bill C-48, the proposed Canada Oil and Gas Act, in a few weeks the Minister of Energy, Mines and Resources (Mr. Lalonde) will acquire the largest mandate any federal minister has had since C. D. Howe wielded the powers of the War Measures Act and the Munitions and Supply Act during the last war. You do not create an empire without intending to stay around to rule it. What an empire is going to be built with this legislation! With a few minor exceptions, the energy department becomes the dominant government agency in all the Canada lands. From Ottawa, the department will set the pace of development, control the investment climate, regulate the environmental regime and determine the penalties and compensation for environmental damage.

● (1740)

It is quite a brew of conflicting interests, development versus the environment and native peoples, which is why it has all been handed over to the energy mandarins. It is easier to stifle conflict coming from one department rather than three or four. Already the Department of Energy, Mines and Resources has co-opted environmental researchers from Environment Canada and Fisheries and Oceans.

These people will no doubt continue their research and make recommendations, but it is unlikely they will be taken seriously in their new offices. The whole thrust of the National Energy Program is to get that oil and gas to market as soon as possible.

This is why Bill C-48 stipulates that exploration permits will last only five years rather than the traditional 20 years. If a company does not move with its development, the government will find someone who will.

This is also why the government is allowing 93 cents of every dollar invested by Canadian companies to be written off. The large companies, the only ones which can afford exploration activities, will go along with the strict ownership regime, not only because they are being underwritten by the taxpayer, but also because they know the government's zeal for the National Energy Program will sustain them until they are making profits.

The government's commitment to such rapid development of the Canada lands may not even leave time for superficial environmental impact studies. The last ten years could have been used to conduct the necessary basic research on the Arctic environment. Standards might have been in place and policy options available to deal with resource development. Instead, the time was frittered away, and now the government is going in blind.

Compensation for spills will be determined by the Department of Energy, Mines and Resources, but because so little is known about the incremental effects of spills, there is no way of measuring the damage. The government will learn about Arctic oil pollution from experience rather than research, and the wildlife and the Inuit will have to shift for themselves.

The economic motives behind this desperate rush are understandable, but they are not justifiable. The Canada lands belong to the federal government. Therefore, the jurisdiction and revenues do not have to be shared with the provinces. If the returns match the investments and the estimates run into hundreds of billions of dollars, then the federal government's fiscal problems will be solved.

The investments will also have spin-off effects in terms of jobs in the south, new technologies and, through exports, an improved balance of payments. In political terms, a resurgent economy and a healthy treasury would put Ottawa back on top of the federal-provincial heap.

Perhaps all these possibilities explain the silence of the three ministers who ought to be concerned with the downside effects of Bill C-48. The Minister of Fisheries and Oceans (Mr. LeBlanc) recommended over 100 changes, mostly environmen-