

*Canada Petroleum Resources Act*

jeopardy, as well as their jobs. My hon. friend from Newfoundland correctly pointed out that the number of rigs operating off the east coast has been drastically reduced, not to mention the danger in which Hibernia stands at the moment. The National Energy Program encouraged exploration, Canadian companies, local workers and local companies. As a result there was increased employment. In St. John's, and in other cities, small local companies which could provide a service to the offshore grew up. These companies are now in jeopardy.

The latest news from the East Coast is that the petroleum industry has signalled its growing disenchantment with low oil prices and risky East Coast exploration by bidding low at the first federal oil acreage staged under the Atlantic Accord. That is something which was reported in the evening *Telegram*. I think that clearly sets out the reaction not only of Governments but of the oil companies.

What the Government has done is throw us back wholly and completely on the mercy of not only private enterprise but of the multinational oil companies. We are now completely at the mercy of those multinationals. It is all very well to let the private sector do the job, but there has to be a time for the Government to intervene, as my colleague pointed out. I think that the Government should now be intervening, as it did in the past, to ensure the security of supply and to ensure those jobs off the east coast.

● (1610)

We must care about Canada and about Canadians. Again the Government has shown that it does not favour Canadian companies and that it does not favour Canadian people by ensuring that their rights in the Canadian offshore are protected. Previously there was a 25 per cent Crown share, which has now been done away with. Companies do not own that acreage; the people of Canada own that acreage. There should have been a preservation of that Crown share in the future as there was in the past. As a matter of fact, it was one of the strong points made continuously by the Government of Newfoundland in its negotiations with the Government of Canada. I note in passing that the Government of Newfoundland is now noticeably silent about doing away with the Crown share.

What we have is a reduction in drilling and a putting off of Hibernia for some time to come, basically because of the tax regime and the fiscal regime which the Government introduced. The Government will say that it signed the Atlantic Accord with Newfoundland. That was signalled by the Government of Canada as a great step forward for the Province of Newfoundland. We turned down offers, which included a Crown share as well as a more fruitful and lucrative fiscal regime for the province, in favour of the Atlantic Accord.

What do we have now? Yes, it is true that the Government of Newfoundland has control. However, over what does it have control? Control of nothing is still nothing. At the moment

there is no Hibernia. The Government of Newfoundland can have all the control it likes, but if nothing is happening there is nothing to control.

The Government of Newfoundland also has royalty rights, but royalties on what? A percentage of nothing is still nothing. Nothing is happening at the moment. No money is coming in and there is no prospect of any that I can see. I do not want to be one who instils doom and gloom, but from the observations I have heard through the media and in the industry, the reality is that Hibernia has been put off well into the future, unless the Government of Canada does something about it.

This brings me to what the Government of Canada should be doing. The reality is that Hibernia cannot go ahead at the present price unless the Government of Canada intervenes. Why should it intervene? It should intervene because of security of supply. We should have security of supply in this country. The Government of Canada should take steps to ensure that we have security of supply and therefore that Hibernia goes ahead. However, the power of the Minister to do that has been reduced in the Bill.

As well, the Government of Canada should ensure that Hibernia goes ahead for the purposes of regional industrial expansion. We have always been a country of regions. Some regions have been more equal than others. Some have been more powerful, more rich, and have had larger resources available to them, such as some of the regions in the industrial heartland where we stand now. Historically other regions have needed help from the Government of Canada both in law and in finance. That is still true. The Government of Canada should ensure that Hibernia goes ahead because of the necessity for regional economic expansion.

The Government of Canada is prepared to put \$1 billion into the Atlantic Enterprise Program. I predict it will draw on very little of that. However, it is not willing to put funds into supporting either a guaranteed price or some other mechanism to ensure that Hibernia goes ahead. The Government of Canada has to build in incentives. The only way we were able to develop Canadian companies, to encourage them to drill in the offshore, and to take that oil field to the point where it is now, was by building in incentives, biases and special attractions for Canadian companies. That must be done again. Whether it is in taxes or grants it does not really matter; the Government of Canada has to do it.

It may be expensive to be Canadian but I think it is worth while paying the price. I think most Canadians would agree. If we look at a number of different areas of the country, we see that it will cost us to be Canadian. It is a price we are prepared to pay. I think we should be paying that price in the Atlantic offshore as we have in other areas of the country.

At the same time as the Government of Canada changed its tax structure and oil policy, it cut back on Government programs available to our province. We are suffering from a double whammy, and I think the people of Canada should realize it. Not only is Hibernia not going ahead in the future,