

decided that the resources were clearly under federal jurisdiction in the United States. Then, on the basis of that judicial finding, the president met with the Gulf coast states and negotiated a 50-50 sharing of revenues. First of all, however, it was felt to be essential for the courts to determine legal ownership of the offshore resources—a view held not only by the Gulf states but by the national government of the United States.

This is what the federal government here has been seeking. This is what the province of Newfoundland has been resisting.

The Minister of Justice went on to say:

The provincial government has recently filed a reference to the Provincial Court of Appeal. The questions raised by a number of complex issues in addition to the question of jurisdiction in respect of Hibernia, including the status of inland waters, the territorial sea and perhaps the interests of other provinces as well.

Honourable senators, the reference to the Newfoundland court encompasses many other issues, some touching upon the Gulf of St. Lawrence, St. Pierre and Miquelon, and other major and complex issues. A Newfoundland minister said recently, "Yes, this court case could drag on over four or five years before any decision is made." The fact is that the Newfoundland court will not even get to the case before October.

Honourable senators, I would not want to accuse the Government of Newfoundland of delaying for political reasons, but other more suspicious and political people have suggested that. And yes, the federal government will participate in that reference. Again, I repeat these words from Mr. Chrétien's statement.

We are participating in that reference and will continue to do so, but in the meantime it appears to us necessary to move to have the urgent and pressing question of jurisdiction in Hibernia resolved at the earliest possible date by the highest court, the Supreme Court of Canada.

The prospects for Hibernia production are very promising indeed.

These are particularly promising for the province of Newfoundland, honourable senators.

Hon. Martial Asselin: Particularly for your government!

Senator Perrault: The Right Honourable the Prime Minister has offered 100 per cent of all of the revenues of that field until Newfoundland achieves a so-called "have" status, with, assuredly, a continuing very generous division at some point in the far distant future.

Hon. C. William Dooday: A lovely man!

Senator Perrault: Yes, indeed he is, and he does not deserve the kind of attack levelled against him in recent days in this chamber.

Senator Flynn: Poor man! Don't make us cry.

Senator Perrault: Again, honourable senators, I quote Mr. Chrétien:

We are participating in that reference and will continue to do so, but in the meantime it appears to us necessary to move to have the urgent and pressing question of jurisdiction in Hibernia resolved at the earliest possible date by the highest court, the Supreme Court of Canada.

The prospects for Hibernia production are very promising indeed. We consider that these resources are presently very close to commercial production. Development will require heavy investment that can only come within an established regime. The major oil companies which are conducting the exploration need to have answers very soon as to what level of government has jurisdiction.

● (1425)

Honourable senators, unbelievably the opposition members critical of this action by the government are the same opposition spokesmen who remind us constantly of the need for certainty in the tax regime. They preach in this chamber that "business must know where it stands," that certainty in the area of taxation and other economic policies is the only way that business can help to build a strong economy. Yet, paradoxically, in the matter of the Hibernia reference and what could be, potentially, the early development of a very large oilfield on the east coast, they continue to advocate that the resource ownership issue be allowed to wallow in uncertainty, without any early legal decision. They foster the concept of uncertainty and delay. I ask, why? Perhaps they can tell us.

The major oil companies have asked for this degree of certainty, and we must act to give them a firm legal basis on which to proceed.

Not a Newfoundland court decision, which may come down in four or five years, and then a possible further appeal to the Supreme Court, some time after that, with further delays.

Senator Flynn: Why do you say that?

Senator Perrault: Mr. Chrétien continued:

The development of these resources is to the benefit of all, the people in Newfoundland, as well as other Canadians. Delaying development perhaps for years is unacceptable to all concerned. We need the oil that the offshore promises to yield. Perhaps, most of all, I believe that the provincial economy is going to enjoy the important contribution offshore development can make to its prosperity; and the new job opportunities and economic stimulus await the political settlement between the federal and provincial governments.

The pernicious myth, which is being circulated, that somehow there is a covetous national government out to crush poor little Newfoundland and annex all of its resources is totally false.

Hon. G. I. Smith: Stick to the facts!

Senator Flynn: Don't get excited!

Senator Perrault: I note that the former Premier of Nova Scotia, Senator Smith, is in his usual truculent mood, something like that of a baseball fan up in the bleachers hurling abuse on the umpire; but let me tell him that his own province