

*The Constitution*

convinced, and probably never will be, of the sincerity of the minister's argument because I do not believe he fully subscribes to the principle. During his intervention he reiterated his support, and presumably that of his cabinet colleagues, for the principle of equalization. No one can really question that, of course. The action of governments from those of Mr. Diefenbaker to Mr. Pearson, to the Leader of the Opposition (Mr. Clark) and the Prime Minister, have demonstrated the protections that we need. Their actions regarding equalization have been what the country wanted. There is no question about that. What I do question, however, is how the Minister of Finance could conceivably support the wording of the proposed reference to a joint committee of the two Houses of Parliament. I do not understand how he can allow such a worth-while practice to be broken down in a manner that would allow the government to use the principle of government-to-people, direct transfers, to satisfy the principle of equalization. I do not know how he can accept wording that would lead to the kind of conflict and abuse that is possible. That wording is unacceptable and is wrong.

The Minister of Finance has a long history of great contributions to this chamber and to the country but his acceptance of what is going on now defies the wildest imagination of Nova Scotians or Atlantic Canadians or, indeed, any Canadian who bothers to examine the situation. Yet he has accepted it. Why he would not prefer wording that would require the purpose and intent to be effected through appropriate provincial legislation instead of around them or over their heads, I just do not understand. In public and in private, its integrity should be defended by such a proposal. With respect to the minister's second point, he directed his comments to the question of offshore resources. Along the same lines, the argument or the debate centres on ownership. In this regard, I not only find myself in continuing disagreement with the Minister of Finance (Mr. MacEachen), but as well with the Minister of Labour (Mr. Regan) and other members of the government.

● (2030)

While the prospects of short-term financial gains under the proposals of this government are attractive, it is the long-term prospects and concerns which attract my attention. Implicit in the Minister of Finance's intervention in this debate—and I cannot imagine why he did not refer to it—is the decision of the Supreme Court of Canada in the so-called British Columbia reference case. By his silence on the matter last week, the minister left me with the clear impression that he was extending a decision based on one set of facts to cover another situation in another part of the country surrounded by a different set of facts.

For the minister to rely on this ploy is out of character. At worst, he implied that the decision extends to the waters adjacent to Atlantic Canada, referring to the process which led to the court decision respecting the B.C. reference. He knows the language of the British North America Act. He knows what section 7 says, namely:

The provinces of Nova Scotia and New Brunswick shall have the same limits as at the passing of this act.

That is a very simple but meaningful statement. The British Columbia reference led the court to a conclusion based on the historical facts leading up to British Columbia joining confederation. These historical facts do not reveal, in any research that I and others have done on the subject, any conferring by the British Crown of rights with respect to the sea, the seabed and the resource, that is the sea and the seabed, which under international law at that time and subsequently it was the clear right of the British Crown to extend.

With regard to Nova Scotia and Newfoundland, the record is very different. In our case, the British Crown did extend rights which were clearly theirs to extend to governments or administrations of the day. Perhaps it would serve the minister and, in turn, Nova Scotians and others well if the minister were to re-read our history, although I am sure he does not have to do that. He might do worse than begin with the intervention of the Hon. G. I. Smith of the other place on this question as recently as July 10 of this year. My purpose is to express to this House a determined belief that the resources offshore in eastern Canada belong to Nova Scotia and Newfoundland. Quebec certainly holds the same view and Prince Edward Island and New Brunswick are entitled to that view. From every quarter we hear of growing involvement between Quebec and Ottawa and the producing provinces of natural gas.

I raise this final point to try to impress upon hon. members some of the concerns we have over unilateral action. I raise it in the context of resources offshore. In my opinion, there is little doubt that officials in the two capitals have already decided that Gros Cacouna will be the location of a new petro-chemical industry using eastern Arctic gas and oil as well as the gas and oil of Nova Scotia and Newfoundland. We in Atlantic Canada will become nothing other than pipeline caretakers if we do not own the resources affected. Federal ownership will dictate the form and location of an industrial base arising out of these resources.

We had hoped this could have been done in a spirit of co-operation. Obviously it can no longer be done that way. However, for Nova Scotians and Newfoundlanders, one of our great tasks will be to protect this resource. It is clear that our Atlantic ministers—the Minister of Fisheries and Oceans (Mr. LeBlanc), the Minister of National Revenue (Mr. Rompkey), the Minister of Finance and the Minister of Labour—have lost their argument in cabinet. They have let us down.

Talks have taken place between officials of the province of Quebec and the producing provinces which indicate that east of Quebec gas would not be included for energy security, backing up oil. Rather, it will be to create the initial base for an industrial complex based upon gas and oil. That industrial base, if allowed to go ahead the way it is, will characterize this government's attitude with regard to the four Atlantic provinces.

This is a good country. The subject matter of this resolution gives me very little difficulty though I disagree wholeheartedly with the unilateral way in which the government is acting. Since we are so close to unanimity among the provinces and