

Taxation

only 0.6 per cent of the grants allowed, a rate which is by far lower than that of the banks. DREE has very seldom made unwise investments, due to its outstanding analytical talents. So, let us go on working and treating whatever information the companies provide as confidential. I urge hon. members opposite to follow-up on the applications they get from their ridings, and never to hesitate in contacting the DREE people, whether they are officers of the department, the minister, his officials or his Parliamentary Secretary, the strengthen the ties between the department and their ridings and especially the companies that are interested in their ridings. Remember that DREE was set up by a Liberal government in 1968 to develop the country and fight against regional disparities, which it will continue to do.

The Acting Speaker (Mr. Ethier): Order. The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[English]

AN ACT TO AMEND THE STATUTE LAW RELATING TO CERTAIN TAXES**MEASURE TO AMEND**

The House resumed consideration of the motion of Mr. Pinard (for the Minister of State for Finance) that Bill C-112, to amend the statute law relating to certain taxes, be read the third time and do pass.

Mr. Deputy Speaker: When the debate was interrupted at five o'clock this afternoon, the hon. member for Burin-St. George's (Mr. Simmons) had the floor.

Mr. Roger Simmons (Burin-St. George's): Mr. Speaker, the issue of Newfoundland offshore ownership is now before the courts because of two separate initiatives, the initiatives taken by each of the two parties in the dispute. In the first instance, the government of Newfoundland, one of the parties in the dispute, put a reference to the Newfoundland court of appeal in February. Last week the other party in the dispute, the Government of Canada, put a reference to the Supreme Court of Canada.

As I noted earlier in the debate, in each case the respective governments did the only thing in terms of court reference they could do. They went to the court to which they would normally go to put down a reference, in the case of the provincial

government, the provincial court of appeal and in the case of the federal government, the Supreme Court of Canada.

The issue of the offshore is really two questions. The question of ownership is now before the courts in St. John's and Ottawa. Does the Newfoundland government own the resources or does the federal government own them? That issue will be determined in due time by the respective courts, and we will have a finding.

There is another issue quite apart from ownership. I believe it is the more important of the two issues. It is the issue of how the resource will be developed. What will be the share of management of the development between governments? Who will get the benefits? Who will be the real beneficiaries of any development of the Newfoundland offshore? There are two questions, two issues. First, who owns? Second, who will reap the benefits? How will it be developed and to whose benefit?

I put it to you, Mr. Speaker, or to anyone listening to my voice at this time: if you own a house, as you probably do, and if, unlike me, you do not have a big hefty mortgage but have clear and absolute title, can you, unfettered, without consulting anyone, tomorrow morning, turn your house into a restaurant, for example? Can you renovate it without consulting the authorities and getting a permit or some other piece of paper? Can you put on an additional storey? Legally, can you even destroy it? You know the answers to those questions.

You may have the real ownership of a property, but having effective control over what happens to it is quite a separate issue altogether. Therefore, there are two issues, who owns, and who will control and to whose benefit?

I have always felt that the second issue was by far the more important. That is why I was so encouraged over the past months and years to note that both governments were addressing themselves to finding a partnership arrangement which would lead to a proper balance in terms of management of the development and address a proper and fair balance in terms of sharing the revenues that would be forthcoming from that resource development.

That is the way it should have been. Governments should have been able to continue to talk to each other and sort out, as members of the same family, an issue which affects the people they respectively represent in Ottawa and St. John's. That is the issue of revenue sharing and effective management of that resource.

I was encouraged to see both governments talking. Then the talking became less frequent, until it ceased altogether. Then came the disastrous period of confrontation. Everybody was talking about taking everybody else to court. I do not think that particular stance serves anybody's purpose. Of course, so far as the references are concerned, no one is taking anybody to court, they are taking an issue to court. The Newfoundland government is not taking the federal government to court, nor vice versa. They have both gone for references which are not of