

agreement it will be the only refinery in North America which cannot sell into Canada.

Why is the Government not ensuring that some of this oil be processed in the Come-by-Chance refinery and sold in Canada? Why is the Minister not assuring us that at least a portion of this oil will be used to meet the security supply problem in eastern Canada?

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I have a little difficulty in following the twisted and distorted logic of the Hon. Member. He knows very well that there is nothing in the free trade agreement that compels the Government of Canada or any province to sell energy to the United States at any given time. That is strictly within the control of the province.

This project is being developed for the security of supply, for job opportunities, and for regional economic development, not only in Atlantic Canada, not only in Newfoundland, but right across the country.

#### PAYMENT OF ROYALTIES

**Mr. Russell MacLellan (Cape Breton—The Sydneys):** Mr. Speaker, in addition to the fact that it has nothing to do with security of supply, because it is not there, it is not an agreement, it is an agreement to agree. It is a Statement of Principles.

When the Prime Minister was campaigning in the 1984 federal election he said that oil off the shore of Newfoundland would be treated exactly the same as oil inland in western Canada. Yet Newfoundland gets a small fraction of the royalties that are available to the provinces in western Canada.

Why is it that the province in Canada that can give the least economically is paying such a high price for this development project?

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I repeat that under the Liberal policy the people and the Government of Newfoundland would have gotten nothing.

**Mr. Rompkey:** That's not true and you know it.

**Mr. Hnatyshyn:** You were in Cabinet and you didn't know it.

**Mr. Rompkey:** Completely inaccurate.

**Mr. Mazankowski:** This deal is developed consistent with the Atlantic Accord. The Hon. Member knows very well that there have been royalty concessions on projects such as Syncrude and Suncor, and if the provinces which own the resources wish to make a royalty concession, to get the resource developed and to get economic development stimulated, then that is clearly within their prerogative. That is precisely what the Government of Newfoundland chose to do.

#### Oral Questions

The over-all net benefit to the Government and to the people of Newfoundland is clearly a positive one.

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#### PUBLIC SERVICE

##### FEDERAL COURT RULING ON POLITICAL ACTIVITY BY FEDERAL EMPLOYEES

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is directed to the Deputy Prime Minister with regard to the historic decision of the Federal Court of Canada last Friday which I regard as a great victory for the men and women who work for the Public Service of Canada.

As the Minister knows, the Federal Court struck down Section 32 of the Public Service Employment Act as being contrary to the Canadian Charter of Rights and Freedoms, thereby removing the restrictions on political activity by federal government employees.

My question is the following. Will the Government undertake not to appeal this decision to the Supreme Court of Canada?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, naturally, we are looking at the judgment in some detail now, having received it on Friday. We will consider the implications of the decision.

In that regard I think special mention should be made of the Hon. Member for Ottawa West who has given leadership in this House with respect to the question of political rights of public servants.

**Some Hon. Members:** Hear, hear!

**Mr. Hnatyshyn:** It is interesting to note in the course of the judgment that only part of Section 32 was struck down on the basis that there was not sufficient definition of the rules with respect to the Public Service being involved in political activity. All Members of Parliament would share the view expressed by the courts that political neutrality in the Public Service in positions which involve public policy and dealing with Governments is a desirable objective.

We in our Party have demonstrated by our policy that political rights are a priority for us with respect to public servants. We intend to take the appropriate action on this particular issue.

#### GOVERNMENT POLICY

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I would point out to the Minister of Justice that he and his Government have consistently opposed efforts made by back-benchers on his side of the House as well as by members of this Party to get political rights for federal employees. They have not lifted