

certainly on the east coast—but it still repeats the rhetoric that it first used when it took office two and a half years ago. It has shown no capacity to adapt to the new situation. It should adapt and produce some new policies and abandon the rhetoric of the past.

When this government came to power it lost no time in proclaiming that the oil industry would be the engine of growth for the entire economy. Remember two and a half years ago when, in the flush of victory and the optimism generated by that victory, the oil industry was to be the engine of economic growth? Well, that has been abandoned. It was abandoned this afternoon by the Leader of the Government in the Senate, who said, "A new impetus for economic growth can only come from trade with the United States." The only impetus for economic growth in Canada that we can look forward to is a trade agreement with the United States!

So the people of Newfoundland can forget about the offshore as the impetus to their growth, and the people of Nova Scotia can forget about it, because the policy enunciated today, and yesterday, by the Prime Minister is that in the future even the offshore areas of Canada must rely not upon their natural resources in the main, but on a new bilateral trade agreement with the United States.

The government should rethink its approach and understand that by its abdication of responsibility—through its inability to conceive for itself a role in Canada's energy future—it not only handed to OPEC the key which starts this engine of growth, but it also willfully neglected to keep a spare key for itself. That is a reckless policy and it is recklessness for which the people of Canada will suffer and for which the people of Atlantic Canada are now suffering because this bill, which is the energy policy for Atlantic Canada, offers no relief to the decline in economic activity and it offers no way by which exploration and possible development will take place. I say that it is fine that we should establish a framework and that there should be a place for Newfoundland in the future of the offshore and that we should provide \$300 million in the offshore development fund, but what is the point of all of this if there is no development? That is the basic question.

I must express my regret that the government has not reflected the urgency of the situation in its policy and that it has brought forward a bill—and has asked us to pass it, which we will do—which was conceived in a time of altogether different economic circumstances.

Senator Frith: Well done!

Hon. Frederick W. Rowe: Honourable senators, I believe most of us have committee meetings either in process or about to start, so I will not speak as long—you will be glad of this, I am sure, after a full afternoon—as I had intended to. I will try to make a couple of points, and then we could adjourn the debate on this, unless there was someone who wanted to follow me immediately.

I want to congratulate Senator Doody. His presentation of the situation was probably as good as anybody could hope for because he had a difficult job, as we all have, really, when we

are dealing with the Newfoundland problem, which goes back hundreds of years.

There are two Newfoundland items before the Senate right now. One is the Atlantic Accord and the other is the Canada-France Agreement that took place two or three weeks ago.

Our difficulties with France and France's difficulties with us go back almost to John Cabot's time. You might remember—I am sure some of you do—that one of the famous dates in Canadian and French history was 1534, when Jacques Cartier came across the Atlantic on a voyage of exploration and pushed into the Strait of Belle Isle and into the Gulf of the St. Lawrence, hoping that he was the first to do that. He was somewhat chagrined to find out, when he reached his destination, that there were other French ships, ordinary fishing ships, ahead of him and, in addition to that, there were some large Basque whalers. From that period in the early 1500s right up until the present century, this problem between English settlers and French fishermen existed. Those of you who can visualize the Island of Newfoundland will realize that it is triangularly shaped. In those early years the French fished the coastal waters off northeastern and northern Newfoundland. In any given year there were as many as 600 French vessels in that area. There were others from Portugal and Spain, and, in time, England caught up.

● (1600)

However, the British were concentrated in the waters at the southeastern portion of Newfoundland, the so-called "English shore." There was plenty of room for the French in the northeast and in the north and for the English in the Avalon Peninsula. That went on for a couple of hundred years.

However, by 1704, the situation had changed. At the end of the Spanish Succession War, which some of us called "Queen Anne's War", there was the famous treaty of 1714 in which France was guaranteed fishing rights off the northeastern coast of Newfoundland. Ever since then, that has remained part of every major treaty between France and Britain.

As the number of English settlers increased, they spread out and conflicts developed. I will not go into any more detail on that except to say that I had hoped, as I am sure many others have, that our difficulties with France would have been resolved. I do not want to give the impression that I am trying to paint France as being the villain in this case because I am not.

One of the major problems in this whole matter was the role of the British government. It may come as a surprise to some of you that, frequently, the British government supported French claims around Newfoundland to the detriment of the English, Irish and Welsh settlers who ran into conflict with the French. The English, Irish and Welsh were on one side and the French on the other.

My analogy leads up to the situation which exists today. On several occasions, France and Britain ganged up on Newfoundland and attempted to push through measures which would seriously diminish Newfoundland's role in the fisheries and which would have meant that parts of the Island of