

*Canada Oil and Gas Act*

interpretation which to date has not been given to any other provision in the Constitution. Section 92(5) would have to be interpreted to allow the province to legislate in relation to trade and commerce because it is dealing with provincially owned property.

● (2100)

The position of British Columbia is of course fairly well known. They were one of the later provinces to come into Confederation, and it is ridiculous to think they came in leaving their offshore behind them belonging to some world power or something. They had the rights to the offshore before they joined Canada, and made a strong case in 1967, as mentioned by the hon. member for Capilano (Mr. Huntington). They lost that case in the Supreme Court of Canada. However, the B.C. court of appeals ruled that the waters and seabed of the Juan de Fuca Strait, Georgia Strait, Johnson Strait and Queen Charlotte Strait belonged to that province. I understand the federal government lodged an appeal in that case which has yet to be proceeded with.

Now, it might be of interest to examine the history of this dispute. One of the hon. members opposite claims there is something immoral about not accepting the Supreme Court decision, as though it were carved in stone. In 1978, at the first ministers' conference on the Constitution, the Prime Minister (Mr. Trudeau) accepted offshore resources as an item on the agenda for constitutional review at the behest of Nova Scotia and Newfoundland. In February, 1979, at the first ministers' conference on the Constitution, the Prime Minister tabled a draft of the federal proposal that accepted the principle of concurrent legislative authority over offshore resources management.

A significant part of the judgment handed down in 1967 was that it applied only to British Columbia. However, the federal Department of Justice said the decision almost certainly means the BNA Act, the basis of the Canadian Constitution, will have to be amended before B.C. can gain offshore jurisdiction. Oil exploration off B.C.'s coast has shown little promise, but mining concerns have expressed interest in manganese nodules on the seabed floor.

It is obvious in following this that there is room for compromise. I feel quite certain that if the federal government were at all certain it has the right to these offshore resources, it would not be offering any kind of deal to a province. The smash and grab artists on the other side will give you absolutely nothing that they are not forced to give you. I think when they talk about a 75-25 split in the case of the Atlantic provinces, they are in fact admitting they have a very weak case.

What is needed is an honest, sincere look at the situation. We cannot go on with the stalemate between Alberta and the federal government. Other provinces do not wish to find themselves in a position where they have to exert their rights and harm other Canadians in order to protect their own interests. Yet this is what they are being forced to do by the abrasive Minister of Energy, Mines and Resources.

I would hope, Mr. Speaker, that we can somehow or other come to an intelligent compromise where by the rights of the provinces will be respected, and we will get away from the

philosophy of the Minister of Justice that because they are so quick to take more money which belongs to other people.

**Mr. Len Gustafson (Assiniboia):** Mr. Speaker, I am pleased to be able to rise and speak on Bill C-48, motion No. 3 as it relates to the Canada lands, and particularly to the offshore resources.

The hon. member for St. John's East (Mr. McGrath) has brought to the attention of this House something he is very concerned about, and I believe he made a very good presentation on behalf of his province. I would like to draw a parallel between what we find in the province of Newfoundland, and the provinces of Saskatchewan and Alberta, indeed all of Canada as it relates to the energy policy in Bill C-48, and what we are dealing with in this House. The average income in Newfoundland is \$4,000.

**An hon. Member:** Shame.

**Mr. Gustafson:** The average income in Ontario is \$9,800. Here we have a small province which, when it came into Confederation, was looking for a better future. Now we have a government which, under a disguised energy policy, is making a power and money grab. This is not an energy policy at all because it has not created one extra barrel of oil. In fact, we have lost thousands of barrels of oil in western Canada. I think it was well put by the hon. member for Calgary Centre (Mr. Andre) when, in speaking in Estevan, Saskatchewan to a group of people who are very discouraged by this policy, he said this is not an energy policy, this is a policy to grab power for central Canada. Make no mistake about it.

Now, what is the parallel we see here between Newfoundland, which thought it had a right to fish in the ocean and bring back fish for the province—and it did—and which thought it had some oil. They did not know it was there a few years ago, but suddenly there is a newfound wealth. Now the power grabbers from Ottawa want to take this newfound wealth and filter it through this place. Well, they are going to spill a lot of it, I tell you. What is the parallel here to Saskatchewan and Alberta? The whole energy policy is designed along the direction laid in Bill C-48. Investigate this closely as in the coming days we will be relating it to how the government is seeking to nationalize the oil industry, and you will see that never before has a bill been brought before this House which has taken such great steps to nationalize the oil industry as does this bill before us. Through Petro-Canada, the government takes 25 per cent of all existing oil resources in the Canada lands, the Northwest Territories and the Yukon. All that has to happen is for that percentage to change from 25 to 50 to 75, and you have a nationalized oil industry in Canada.

I want to say without equivocation: this policy is not going to work. It is going to have repercussions which we in western Canada have already felt very severely. What have those repercussions been? We have driven out 170 oil rigs. The independent oil people tell us that they believe we will lose half the fleet or 250 oil rigs. The energy policy has driven out 85 service rigs and along with the oil rigs and the service rigs,