

Adjournment Debate

There will come a time when they will have to make a decision between now and the early part of October. I know they are in regular contact with the minister and I know the minister is actively trying to elicit some replacements for the contractor so that the project, Hibernia, can continue. I remain optimistic and I am hoping that the parliamentary secretary will also remain optimistic.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I want to thank my hon. colleague from Bonavista—Trinity—Conception for giving me this opportunity to report on the current status of the Hibernia project and to provide all the assurance to him and to his constituents that this government remains committed to the continuation of this very important project.

First, let us review the main elements of Canada's financial assistance package for Hibernia. The government will be providing a cash contribution of \$1.04 billion to the Hibernia consortium during the construction period. The government will also provide loan guarantees of up to \$1.66 billion to the project owners. In addition, \$175 million temporary financing facility and a \$300 million interest assistance loan will be made available to the owners under certain conditions.

This very substantial public assistance package in itself serves to demonstrate that the government is truly committed to Hibernia.

The notice of withdrawal from the project as was presented by Gulf Oil, I believe it was February 4, 1992, was really very unfortunate. This was a business decision that was taken by Gulf as a result of oil and gas prices constraining the company's cash available for its investments.

Gulf did state that this reduced cash flow combined with the long lead time before any production would have committed too large a portion of Gulf's resources to a single project for too long a time.

Following Gulf's notice of withdrawal, the three remaining owners reaffirmed their commitment to the project. The other owners have embarked upon a very

aggressive world-wide marketing campaign to find one or more new investors.

We realize that the owners have been keeping the government informed all along the way. I know the minister has been keeping my colleague informed.

All I can say is that we are behind it and I am pleased that my colleague raised this tonight.

[*Translation*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

M. Jean-Guy Guilbault (Drummond): Mr. Speaker, I welcome this opportunity to pursue the matter I have first raised in this House on February 5 when I asked the Prime Minister of Canada a question about the GATT.

As you are aware, ambitious objectives are being pursued with regard to farming in this eighth round of negotiations which deals with four areas. First, agricultural support; second, border protection and restriction on imports; third, direct and indirect assistance to exports; and, fourth, health and phytosanitary standards.

Negotiations have been going on for six years now at GATT. Still, the government of Canada insists on maintaining its policy of defending the four pillars of the Canadian farm industry, namely our quota system, farm income stabilization and crop stabilization payment programs as well as our farm credit.

Faced with a deadlock, the GATT Secretary General, Mr. Arthur Dunkel, suggested last December to do away with farm products marketing boards such as those we have here in Canada and to institute a universal tariff system instead.

Following the deadlock in negotiations, GATT Secretary General Arthur Dunkel suggested last December that farm product marketing boards like those we have in Canada be replaced by a universal tariffication system. This proposal met with serious concerns on the part of Quebec and Ontario producers who are afraid to see their markets flooded by U.S. products.

There is considerable resistance in Canada and Quebec to the border protection proposal, because it also includes GATT article XI which prohibits import quotas, with a few exceptions.