

LADIES AND GENTLEMEN:

IT GIVES ME GREAT PLEASURE TO BE ABLE TO PARTICIPATE IN THIS CONFERENCE. THANK YOU FOR INVITING ME. IT IS AN EXCELLENT OPPORTUNITY TO PROVIDE AN UPDATE ON THE STATUS OF OUR OFFSHORE ENERGY DEVELOPMENTS AND TO EXPLAIN OUR ENERGY AND ECONOMIC STRATEGY FOR THE 1990'S -- A STRATEGY WHICH I BELIEVE WILL ENSURE THAT CANADA REMAINS A GOOD PLACE TO INVEST.

IT STRUCK ME, WHILE PREPARING THESE REMARKS, THAT MY PERSPECTIVE ON OFFSHORE ENERGY DEVELOPMENT HAS BEEN SHAPED BY MY EXPERIENCE IN 3 SEPARATE ROLES WHICH I HAVE PERFORMED DURING MY POLITICAL CAREER.

AS A REPRESENTATIVE OF THE PROVINCE OF NEWFOUNDLAND, I AM OBVIOUSLY WELL AWARE OF THE POTENTIAL ECONOMIC SPIN-OFFS ONSHORE WHICH WILL COME WITH THE EVENTUAL DEVELOPMENT OF OUR OFFSHORE OIL.

AS CANADA'S CURRENT MINISTER OF INTERNATIONAL TRADE, I UNDERSTAND THAT SECURE ACCESS TO THE AMERICAN MARKET IS VITAL TO THE ECONOMIC VIABILITY OF SUCH HUGE PROJECTS, JUST AS MARKET ACCESS ALLOWS FOR THE DEVELOPMENT OF ECONOMIES OF SCALE IN CANADA'S MANUFACTURING SECTOR.

AND AS A FORMER CANADIAN FINANCE MINISTER, I AM NOT ONLY AWARE OF THE CRITICAL ROLE OF ENERGY INVESTMENT IN CANADIAN BUSINESS SPENDING, AND THE IMPORTANCE OF ENERGY EXPORTS TO OUR NATIONAL BALANCE OF PAYMENTS, I ALSO UNDERSTAND THAT ULTIMATELY, IT IS THE COST OF CAPITAL, AS MUCH AS THE PRICE OF OIL, WHICH DETERMINES PROJECT VIABILITY. AND NOTHING IS MORE IMPORTANT TO THE LONG-TERM COST OF CAPITAL, NOR A GREATER CAUSE OF UNCERTAINTY, THAN THE SCOURGE OF INFLATION.

SINCE 1984, WHEN MY COLLEAGUES AND I FIRST TOOK OFFICE, WE HAVE SOUGHT TO CREATE A POSITIVE AND STABLE CLIMATE FOR CAPITAL INVESTMENT IN CANADA.

WE DISMANTLED THE NATIONAL ENERGY PROGRAM -- A SELF-INFLICTED WOUND WHICH CAUSED A DAMAGING CAPITAL OUTFLOW FROM OUR COUNTRY.

WE CREATED INVESTMENT CANADA, TO ENCOURAGE JOB-CREATING CAPITAL INVESTMENT.

WE COMMENCED A DEFICIT REDUCTION STRATEGY TO START CANADA ON THE WAY BACK FROM FISCAL INSANITY.