

Adjournment Debate

Further discussion will take place in May in Washington concerning proposals covering scheduled charter and cargo services as well as essential safeguard features such as guarantees for fair airport access and mechanisms for review. We are mindful of the difficulties facing the Canadian airline industry.

The current operating environment is very difficult, due to drops in traffic, rising costs and increasing debts. The airlines have identified the Canada-U.S. air negotiations as a positive opportunity to improve their financial situation.

We are intent on ensuring that the Canadian airline industry remains viable and that the travelling public continues to be offered competitive air services. Our position, as stated by the Minister of Transport, is that we want to see our airlines able to operate as financially competitive entities.

HIBERNIA

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I am here this evening to speak on the Hibernia project.

As you are aware, on February 3 shock waves were sent through the system when it was discovered that Gulf Oil would pull out its 25 per cent of the Hibernia project, which represented \$1 billion in construction costs.

The following day I asked the Minister of Energy, Mines and Resources for his opinion on this, how he felt about it and his response was fairly optimistic. He did promise to visit St. John's, Newfoundland, as necessary and to brief me and my colleagues.

I have to report to the House that the minister was as good as his word and was very forthcoming in the information he gave me, and has done so, and continued to do so in the last three months, for which I am very grateful.

On February 7 I requested an emergency debate in the House. Regrettably the Speaker did not see fit to allow the debate at that time.

The next part of this chronology was on February 14. I was in the Hotel Newfoundland when the announcement was made which put to rest, to a certain extent, some of the rumours and speculation about what would happen in this regard when Mr. Norman McIntyre, in his capacity as the Hibernia executive committee chairman,

came in with some news. He stressed at the beginning that the news would be difficult. It was difficult. It certainly was not the best news in the world, but it was not the worst news in the world.

What he did say which gave me some hope was that their planned action, that was the action of the consortium, was being taken to ensure that every effort was being made to maintain reasonable progress on the development of Hibernia which is so critical to the economy of Newfoundland, to Canada, and as far as oil was concerned I suppose really to the rest of the world.

Mr. McIntyre announced that no new work would be initiated and that most work currently under way would be rescheduled. The work on the gravity based structure would be stopped immediately but other work would continue.

The effect of the action was to cut the projected daily expenditures from \$3 million to \$1.5 million a day, reduced employment levels by 500 to 600 people, and delayed completion of the project by one year from 1996 to 1997.

I would stress that there will be 1,000 people working on the project, another 600 in Montreal, and in Paris there will continue to be some transfers to Newfoundland.

I remained optimistic and still continue to be so.

• (1810)

However, there was a setback on March 3, when the chairman of the board of Petro-Canada at an oil and gas industry conference quoted that the partners were basically on a 60 day count down. I am not sure what he meant by basically, because 60 days from that announcement is next Monday and I am not aware that anything magic is going to happen. There is nothing in these 22 agreements I have here, dated April 7 of this year, that talks about 60 days.

There is something in here that says that from the day that Gulf pulled out, on February 3, it is liable for 243 days of making its contribution to the construction. That is that it will be carrying its share of the load until early October this year.

I continue to meet with the minister and I continue to remain optimistic about this. I know that the owners are currently involved in an active marketing campaign to find additional investors. As I have said, they are spending \$1.5 million a day.