

Government Orders

The Acting Speaker (Mrs. Champagne): The House has heard the suggestion made by the hon. parliamentary secretary. Is there unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): The hon. member for Malpeque may wish to conclude her remarks.

Ms. Callbeck: We certainly believe that those conditions can be met by the Hibernia project, but that they will take continued work, monitoring and action by the government. We intend to ensure that the federal government meets all of its responsibilities to the Hibernia project.

Hibernia is a national project, one which the Liberal Party of Canada has long supported. The commitment of the federal government to Hibernia has been questionable, to say the least. The April 1989 throne speech did not even bother to mention the Hibernia project, the deal that was supposed to be signed, sealed and delivered four days earlier, on March 31.

This bill may be heading toward a master agreement for Hibernia. But there are many obstacles we still must cross before this project is the best deal for all Canadians. Hibernia is seen as the cornerstone of the Canadian offshore industry. Hibernia could be the key to future development, it could be the springboard discovery which provides us with much of the infrastructure, the technology and the impetus for development of our eastern offshore industry.

My colleagues and I will support the second reading of Bill C-44, which serves as implementation legislation. What it really does is allow the federal government to enter into a master agreement with other parties involved in Hibernia. We note that the minister shall present a summary of each of the agreements before the House. Certainly I am looking forward to this bill being sent to the legislative committee. I hope that it will lead to a far swifter management of the Hibernia project than this government has demonstrated to date.

Mr. Ross Harvey (Edmonton East): Madam Speaker, I must say at the outset that I intend to take the liberty of addressing both this bill and Bill C-45.

Given what I understand to be the principle both of this bill and of Bill C-45, the bill which sets up the fiscal regime for the government's participation in the OSLO project, and given that the central principle in each bill is

to create the fiscal structure under which the government will participate, and given the sums of money involved, I must say that I am somewhat surprised that these bills are sponsored by the minister of energy and not the Minister of Finance. However, they are sponsored by the minister of energy and must therefore be seen to constitute, at least in part, the government's energy strategy. So, I will be dealing with that aspect of the bills as well.

If I might, I would like briefly to summarize the two bills. Both of them set out the proposal for the expenditure of government money in the two projects.

In the case of Bill C-44 which deals with Hibernia, we are talking about a grant for the defraying of capital costs in the amount of \$1.04 billion. We are, as well, talking about loan guarantees on the capital project of up to \$1.66 billion, a direct loan in the amount of \$300 million, loan guarantees for what is called a temporary financing facility in the amount of \$175 million, and interest payable guarantees on the \$1.66 billion loan guarantee. In other words, if the loan is going to default what the government has guaranteed, not only will we pay the principle but we will pick up the interest charges as well.

Therefore, we are talking about a direct expenditure, a grant to Hibernia of up to \$1.04 billion, a \$300 million loan, and various and sundry loan guarantees and interest guarantees in the amount of \$1.835 billion for a total possible government investment of \$3.139 billion, a tidy little sum in anybody's books.

For OSLO, we are talking about a grant for the capital costs of up to \$425 million. We are talking about a price of oil production subsidy of \$48 million. This is a sort of project specific guaranteed floor price for oil. If the cost of production of oil exceeds the price the OSLO project is getting, then this \$48 million will kick in. You will find a floor price for Canadian oil in no other aspect of the industry even though New Democrats, federally and provincially, have been vigorously calling for such a thing for many years now. However, for OSLO this is a sort of "most favoured" status, I suppose.

OSLO will have this \$48 million floor price guarantee. As well, there will be loan guarantees on the capital project of up to \$642.5 million. There will be loans—the terms are not set out, of course, in the bill—of up to \$250 million. And loan guarantees, again, for this temporary financing facility of \$62.5 million. We are looking once again at a direct expenditure in OSLO of up to \$425 million, direct loans of up to \$250 million, various