

*Adjournment Debate*

150. It would employ some 50 people during the construction period.

When I was first elected in October, 1976, I brought this to the attention of the government and I worked with the dockyard to make its case with the Department of Industry, Trade and Commerce. On December 29, 1978, it was announced by Mr. Jack Horner, the then minister, and by Don Jamieson, the then Newfoundland minister, that the government was going to go ahead and provide the funds for this syncrolift, which was estimated then to cost \$15 million.

● (2215)

The syncrolift was to be operated by CN which would enter into a lease and repay 65 per cent of the funds over a period of 15 years, 20 years or 25 years, whatever the period was. CN would guarantee that it would pay 65 per cent of the cost, and the remainder of the cost would be in the form of a grant from the Government of Canada. That is very slim assistance compared to other dockyards in Canada.

The shipyard in Halifax is getting an 80 per cent grant from the Government of Canada, and a 20 per cent from its provincial government, which amounts to a 100 per cent grant. Halifax has to pay nothing back on a \$43 million expansion. I could go on and mention shipyards and dockyards in Quebec and British Columbia which are getting much more generous treatment. Nevertheless, that is fine, and there is no reason why this should not go ahead.

When my party took office we went ahead and appointed consulting engineers. They began work on the plans and specifications. The project was approved by Treasury Board and all the necessary steps were taken. About two months ago the consulting engineers reported that the site is feasible and the project is feasible. Since that time we have had the tremendous prospect of the Hibernia oil fields and the gas prospects off Newfoundland.

This dockyard is within 175 miles of this great potential, the Hibernia oil fields. It will be a real money maker as years go on. But the consulting engineers recorded that the costs had now gone to \$23.4 million. CN has shaved off \$2.4 million in costs and brought it down to, I believe, \$20.7 million. In 1980 dollars, the \$15 million estimated cost of 1978 is \$18.5 million. This in effect would be several million dollars more than the original estimate.

It is not the fault of the dockyard that we have had inflation over the last two years. We know whose fault that is. Now the word is that the government does not know whether it will go ahead with this project. It does not know whether the project should go ahead because of this \$2 million cost overrun. The minister who represents Newfoundland, the Minister of National Revenue (Mr. Rompkey), should be fighting for this project. It is an economic development project for his own province. Instead of doing that, he goes to Newfoundland and says that he does not know whether this project is going to go ahead or not this year. The *Telegram* of May 29 quotes the Minister of National Revenue as saying:

Right now government is in the process of redoing the list of projects that need to be done. The syncrolift is just one of a number of projects around the province—

The minister said that construction at Wabush airport in his district had been held up while the Conservatives were in power in Ottawa. What does the construction of an airport facility in Labrador have to do with economic development funds to be spent in St. John's, Newfoundland? At least the minister's predecessor from Newfoundland, Don Jamieson, fought for the whole province. He did not go to cabinet meetings to fight only for his own district. He did not screw projects that were not in his district. He did not put the blocks to projects which were in districts of members from other parties. I hope that the Minister of National Revenue will not do what he appears to want to do, squash this project in some little manoeuvre so that he can get some extra money from Treasury Board for Wabush airport in Newfoundland, which is not even an economic development project.

When I asked the Minister of Industry, Trade and Commerce about this, he confirmed that the government is committed to the balanced development of every part of Canada, including the province of Newfoundland. If this government opposite is dedicated to the balanced development of every part of Canada, it will see that this project in the St. John's dockyard will go ahead. It is one of the few feasible or viable economic development projects in Newfoundland that has come up in the last five years.

If the project does not go ahead, there is only one reason, and it is political; the Liberal minister from this province is trying to put the knife in a project in a district which is held by a Conservative. That is the only possible reason, unless CN, for some reason, goes back on its bargain. If CN does go back on its bargain, then I say, "Call in private enterprise and let's turn the dockyard over to private enterprise". It is a money maker, and it will make a fortune for whoever owns and operates this facility in the future.

The project might not cost the Government of Canada a cent because there is also a provision in the agreement that it will share the profits of the dockyard if they exceed \$300,000 a year during the term of the agreement. They might well get the whole 100 per cent of their investment back. I am calling on the Minister of Industry, Trade and Commerce to prove to the people of St. John's West and St. John's East, the people who work in that dockyard, the unions, the government of Newfoundland, the port associations and all the other associations, that there is not a body in Newfoundland opposing this project, although the shipyard in Marystown has sometimes expressed dismay, but the project has no connection with that town. That is every association in St. John's.

● (2220)

I want the minister to assure them that this kind of gross politics is not going to interfere with the economic development program of his department. This was part of the federal economic stimulation program to aid the Canadian shipbuilding and repair industry. It is a good project. The civil servants