

Oral Questions

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the guarantee is that you have the signature of the Government of Canada, the signature of the Government of Newfoundland, and the signature of the consortium.

ROYALTY PAYMENTS TO NEWFOUNDLAND

Mr. Jack Harris (St. John's East): Mr. Speaker, an examination of this deal shows that Newfoundland is drastically reducing and forgoing enormous royalties to allow its own oil to be developed. This deal provides minimum royalties to Newfoundland, a far cry from the 10 per cent to 35 per cent that Newfoundland was talking about and proposed years ago. Does this deal not end up being just like another Churchill Falls for Newfoundland—only construction jobs, and a long-term role of watching our energy flow out of the province with very little economic return?

● (1430)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, day after day in this House we hear from Members from Newfoundland talking about the high unemployment level and the fact that there is a desire and a need for regional economic development. Here we find out today about a very major project that has been in the making for some 10 years. While it should be heralded as a major breakthrough, we find Hon. Members criticizing it.

In terms of jobs, as I said, 47,000 person-years direct and indirect will be created, with 35,000 person-years for Newfoundland. In terms of the permanent jobs there will be 1,100 direct jobs in Newfoundland, 2,450 indirect jobs, for a total of 3,500 jobs, after the project is completed. In incremental terms to the Gross Domestic Product it will add some \$15.1 billion in 1987 dollars to Canada, \$11.6 billion to Newfoundland, 106,900 person-years of work for Canada and 94,350 person-years of work for Newfoundland.

These are not figures that are pulled out of the air. These are figures that have been developed by the Governments and the consortium. The Hon. Member opposite should be congratulating the Government of Newfoundland and the Government of Canada rather than criticizing them.

Some Hon. Members: Hear, hear!

REQUEST FOR JOB GUARANTEES

Mr. Jack Harris (St. John's East): Mr. Speaker, the Deputy Minister produces figures that he said are developed by the consortium. Even in this non-binding agreement all the provisions related to jobs and procurement for Newfoundland and for Canada are only targets. They are projections. There are no guarantees.

Why has the Government not insisted that the oil consortium guarantee job content for Canada and Newfoundland? Why has it not guaranteed that the goods and services

required for production will come from Newfoundland? Why are they just targets? Why are there no guarantees? Does this have something to do with the trade deal?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, this is an important project, not only for the economic development fortunes of Newfoundland and the Atlantic region—

Mr. Tobin: An important photo opportunity, but it is no deal.

Mr. Hnatyshyn: If you want a job after the election you better listen to this.

Mr. Blackburn (Brant): Are you bribing him? Mr. Justice Tobin?

Mr. Rodriguez: That is unparliamentary.

Mr. Speaker: I do not know whether that was an offer or a threat.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Mr. Speaker, as I was trying to say, this is not only an important project for economic development and job-creating activities in Newfoundland and the Atlantic region but, indeed, for all of Canada. What is more important is that it is important in terms of security of supply. This will develop between 520 million and 650 million barrels of oil which will help Canada attain and achieve its self-security and, in particular, supply the Atlantic requirements. That should be welcome news for everybody.

The NDP, we know, and the Hon. Member for Ottawa Centre, expressed views about the frigate contract going to Saint John, New Brunswick. Now we have a Member right from Newfoundland criticizing the Hibernia project. We can only assume that the NDP are against the Atlantic region—

Mr. Cassidy: Balderdash!

Mr. Mazankowski: This Government is not against the Atlantic region. It is for the Atlantic region. That is why this program is going forward.

Some Hon. Members: Hear, hear!

COME-BY-CHANCE OIL REFINERY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question, likewise, is directed to the Deputy Prime Minister. The Deputy Prime Minister says that this deal will help security of supply in Atlantic Canada. That is not true. There is nothing in the agreement that says that any of the oil has to be maintained for refining or use in Atlantic Canada. With the free trade agreement there is no way to ensure that it will.

Also, Come-by-Chance is the only refinery in Canada which cannot sell into the Canadian market. After the free trade