

Government Orders

producers a decided advantage and help offset the difficulties of operating so far out at sea.

Canadians will learn from Hibernia. We will develop our skills, out on the rig 300 kilometres off our coast. We will become experts in offshore oil recovery. That expertise will constitute an invaluable commodity to be marketed around the world.

• (1740)

Environmental reviews of the project have been completed. The Governments of Canada and Newfoundland have held extensive public reviews. We have studied the briefs and concentrated on the concerned parties. The decision of the Canada-Newfoundland Offshore Petroleum Board, issued in June, 1986, was that the project would proceed once the 50 recommendations of the environmental assessment panel were adequately addressed.

Let me remind hon. members that the project must be regarded in the long term. It will span some 20 years, beginning most probably in 1996, and will produce from 110,000 to 150,000 barrels of oil per day.

This is a sound investment, especially in view of the taxes, royalties and profits that we expect to recover for Canada and for Newfoundland. There are no special tax incentives for companies operating in the Hibernia field. All the activities will be carried out within the existing tax system. All financial arrangements are visible and above board.

Bill C-44 and the introduction of this bill today indicate to Canadians how important the future of Hibernia is for Newfoundlanders and for people on the east coast. It has been a great honour for me to speak on behalf of the minister who will be speaking on both Bills C-44 and C-45.

Ms. Catherine Callbeck (Malpeque): Madam Speaker, it is certainly with pleasure that I have the opportunity today to address the House on Bill C-44 at this most important stage of the bill, second reading.

Bill C-44 is an Act respecting the Hibernia development project and to amend certain acts in relation thereto. The principle of the bill is to grant the government the authority to enter into an agreement with the

other parties involved in the now well-known Hibernia development project.

Nine years have passed since Chevron, on a farm-out well from Mobil Canada Limited and its partners, discovered the Hibernia oilfield approximately 315 kilometres east of St. John's, Newfoundland. After its initial discovery, tests subsequently confirmed oil reserves of more than 500 million barrels in a 20,000-acre area. This is one of the largest offshore oilfields in the world.

The Hibernia development project has experienced nothing but delays since its initial conception. In 1986, the Minister of Energy, Mines and Resources at that time advised Newfoundlanders in St. John's that negotiations on Hibernia would wrap up in the next two or three months. That was in 1986. After that—two and a half years later on July 18, 1988—the Prime Minister of Canada stated: “—the prospects, the possibilities, the prosperity of Hibernia may now be realized”.

This timely comment came three months before the last federal election. It was in reference to the statement of principles signed on July 18, 1988, by the project owners and the federal and provincial governments. That statement of principles confirmed that the legal agreements for Hibernia would be officially signed on March 31, 1989.

However, there is nothing legally binding about this statement of principles. My colleagues addressed this issue in the House immediately after that statement on July 18, 1988. Their concern was for project guarantees for the province and the people of Newfoundland. The Minister for International Trade assured Canadians that day by responding, and I quote:

— that Hibernia project is going. It is agreed. The companies have agreed. The Government of Canada has made it all possible with the initiative that we have taken and with the agreements that we have made. They will all be legally bound by the end of March.

Here we are in December of 1989—seven months after that statement by the Minister for International Trade—and there is still no master agreement in sight, at least for another six months or maybe a year, who knows?

While the negotiations continue, offshore contractors based in Newfoundland are suffering their worst year since 1977. The delays to the Hibernia project have paralysed a local economy that geared up for an oil