

Oral Questions

Mr. Tobin: —the manipulative actions of the Minister of Energy and how those actions have directly resulted in the loss of 300 jobs at the Come-by-Chance oil refinery.

I have today received a copy of a secret contract entered into between Newfoundland Energy, the operators of the Come-by-Chance oil refinery, and Petro-Canada. This contract contains restrictive provisions which prevent Come-by-Chance from marketing its product anywhere in Canada outside the Province of Newfoundland.

I want to ask the Deputy Prime Minister this. Why did the Government arrange a contract as part of establishing the Come-by-Chance oil refinery that makes that refinery located in Newfoundland, Canada's poorest province, the only refinery in Canada that is not able to market its products in the domestic Canadian market? How can we have free trade in energy with the United States when within Canada this refinery has been blackballed?

• (1440)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, in the absence of the Minister of Energy, I am acting on his behalf today.

The Hon. Member's facts are completely wrong. Some months ago, the Petro-Canada Crown corporation turned over lock, stock and barrel to the Newfoundland Government, to pass on to Newfoundland Energy Ltd., the Come-by-Chance oil refinery, and all the assets, for \$1. Petro-Canada had invested more than \$30 million in preserving that asset.

The new owners say that they plan to sell their product in the United States. There is a surplus of refining capacity in eastern Canada now. Three or four refineries had to close in Montreal.

As some condition of protection for the investment that it had in that plant, Petro-Canada made it a condition that, if the refinery wished to sell in mainland Canada outside the Province of Newfoundland and Labrador, it would enter into an arrangement where it would have the right of first refusal to any products sold on the mainland at a special price. Newfoundland Energy can sell on the mainland, but first it must offer to Petro-Canada—which gave them \$30 million worth of assets for nothing.

That is a simple, reasonable, commercial condition that was accepted by the Province of Newfoundland, that was accepted by Newfoundland Energy, and it ill behoves them now to come complaining and giving little documents to the Hon. Member, the gentleman opposite, who does not know what to do with them.

PURCHASE OF JET FUEL BY AIR CANADA

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, Newfoundlanders can only come to the conclusion

that this Member is looking for a sinecure in the Senate, because he obviously does not intend and does not have the face to go back—

Mr. Speaker: The Hon. Member will put his question.

Mr. Tobin: Air Canada has reported to the National Energy Board that this year it has already imported 1 million barrels of jet fuel worth \$200 million from outside this country because the jet fuel is not available within the existing refining capacity in Canada. Air Canada has attempted to buy jet fuel which is available at Come-by-Chance, but has been rebuffed because of the terms and conditions contained within this agreement.

Air Canada, which reports to the Minister of Transport, is spending \$200 million outside the country because the Minister of Transport and the Minister of Energy will not allow Come-by-Chance to supply that fuel, even although the fuel is not available elsewhere in Canada.

What type of arrangement is that for the province with the highest unemployment in Canada, when the ability to market in Canada would mean 300 more jobs, \$9 million more additional payroll, and a boost to an economy that is sick and tired of the wimpish attitude of this failed Newfoundland representative in the federal Cabinet?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is a continuing rising tide of hysteria among the opposition Members.

The Come-by-Chance oil refinery is in my district. I asked Petro-Canada to turn the refinery over to the people who now have it, who wish the refinery to produce gasoline products and other products for them to sell in their Cumberland Stores down in the United States. That is why it was established there. If there is a sale, or if Air Canada needs to purchase jet fuel and they buy it on the mainland of Canada—

Mr. Tobin: Outside of Canada.

Mr. Crosbie: They can purchase the jet fuel from whom they like outside Canada. There is no impediment. Petro-Canada has not interfered with them buying jet fuel. Let me say that this is a concoction. There is no impediment. If they wish to sell in the mainland of Canada, they do it through Petro-Canada, which should have some chance to get some return on the \$30 million that this Crown corporation, created by the Hon. Members opposite, put into that operation, which went for nothing to the people who now operate it, and who should stick to their agreement, be man enough to stick to it, and stop whining about it.