

Petroleum and Gas Revenue Tax Act

of the Hon. Member for Vancouver-Kingsway (Mr. Waddell) with regard to your sartorial splendour. Those of us in the House who have seen you in other suits and in other places know that you are equally—

The Acting Speaker (Mr. Paproski): I will let the Hon. Member finish; however, the Hon. Member for Brampton-Georgetown (Mr. McDermid) is rising on a point of order.

Mr. McDermid: Mr. Speaker, I apologize to my colleague from Newfoundland, but I am seeking clarification from the Chair. This will be the third opposition spokesman to one government spokesman. What is the rotation in speaking?

The Acting Speaker (Mr. Paproski): It is up to the discretion of the Speaker. If the Hon. Member looked at Beauchesne's Fifth Edition, Citation 301, he would be made aware of that. I recognized the Hon. Member for Trinity (Miss Nicholson) on the opposition side before the Hon. Member for Grand Falls-White Bay-Labrador. I recognized him because I said that he would be the next speaker. You will follow him.

Mr. Rompkey: Mr. Speaker, now we must not only congratulate you on your sartorial splendour, but as well on your discretion and judgment.

I want some latitude today. I do not intend to delay the Bill unnecessarily, but I have some questions which I feel are relevant to the PGRT, energy taxation and policy that I want to put on the record. This is the only opportunity I have to do that. I appreciate the Minister of State for Finance (Mrs. McDougall) may not have all the answers to the questions which I will raise today; however, they are in regard to the deal which is being formulated between Canada and Newfoundland. It is a deal which we have been told about but which we have not seen.

What we have seen is a letter of June 14 from the then Leader of the Opposition to the Premier of Newfoundland. It is the only document on which we have to base our suppositions. It is important for us to know what is in that deal. I would like to put some very serious questions on the record.

The sixth principle in the letter states that "the Province would have the ultimate decision in matters affecting the mode of development . . . subject to the federal override". That is very important.

Mr. Shields: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for Athabasca (Mr. Shields) on a point of order.

Mr. Shields: Mr. Speaker, I do not mean to belittle what the Hon. Member is saying, but I think the point of relevance is clear. He is talking about an agreement on the offshore rather than the Bill.

The Acting Speaker (Mr. Paproski): I think the Hon. Member is getting to the Bill. That is not a point of order.

Mr. Rompkey: Mr. Speaker, I think the relevance will be clear, if the House will bear with me.

The sixth principle which is outlined in Mr. Mulroney's letter, who was then the Leader of the Opposition, indicated that the province would have the ultimate decision—

The Acting Speaker (Mr. Paproski): The "Prime Minister".

Mr. Rompkey: The now Prime Minister, who was then the Leader of the Opposition, indicated that the province would have the ultimate decision in matters affecting the mode of development, subject to a federal override. That is very important because the Province of Newfoundland would like to use concrete platforms in the development phase, as opposed to shipping the oil directly to market. Concrete platforms could be made in Newfoundland, thereby creating more jobs for Newfoundlanders and Labradorians. The use of concrete platforms in the development stage of that oil in Hibernia, Mr. Speaker, is clearly in our best interests, and if the province has the final say, no doubt it will choose them.

• (1250)

However, what about the federal override? In what circumstances will the federal override be used? How ultimate is the province's decision if the federal Government has the final say? We are told that the federal Government would call the shots if the province's choice delayed "unreasonably" the attainment of self-sufficiency and security of supply in Canada. My second question is, then, what is "unreasonably"? How do you define it? Who defines it? These are questions to which we do not have the answers at this point. However, the answers mean a great deal to my province which has the highest unemployment, the highest per capita debt and the highest cost of living.

Furthermore, with respect particularly to energy policy, we are told that the Government has now backed off back-in rights. We are told that the Crown's share of back-in rights will no longer be entertained by the Government of Canada. The federal Minister of Energy, Mines and Resources (Miss Carney) seems to be under the illusion that back-in rights, the Crown's share, was somehow imposed unilaterally by the previous Government.

I would like to point out, Mr. Speaker, for the record, that back-in rights have indeed been a fundamental and essential element of the Newfoundland proposal on the offshore from the beginning. As a matter of fact, it was not so much "back-in" as "front-in", and companies which have drilled off Newfoundland—not under federal regulations but under provincial regulations—have known from the beginning, from the first day they went there to drill, that not only would they have to give up 25 per cent, but that 40 per cent would go to the Crown. Indeed, the present Premier of Newfoundland, when he was Energy Minister as well as when he was Premier, was quite adamant about that. Indeed, I would say he staked and based his career on the proposition that Newfoundland had to catch up and that back-in rights, the Crown's share, was a fundamental way of doing it. I think it is fair to say that the