

Caccia urges the ban in a private letter, details of which have been obtained by *Southern News* which he wrote six weeks ago to Northern Development Minister John Munro.

A CP Wire service release on May 9 stated the other side of the argument being pursued by the Minister of Indian Affairs and Northern Development as follows:

The environment is just one of many concerns blocking a quick decision on whether to allow exploratory oil drilling in Lancaster Sound, the eastern entrance to the Northwest Passage, Indian and Northern Affairs Minister John Munro said Wednesday.

But Munro, whose department will make the final decision, is in no hurry to approve drilling in the region for a number of reasons, despite the millions that have been invested there since oil companies were granted exploration permits more than a decade ago.

What we have here is a case of one Minister leaking correspondence to the press to make public his departmental point of view and to put pressure on yet another Minister. We have the Minister of Indian Affairs and Northern Development publicly rebuking the Minister of the Environment by saying that his concern is not of any particular importance because there are a number of things that have to be taken into consideration.

The Lancaster Sound issue needs resolution. So far we have seen an attempt by the Minister of Indian Affairs and Northern Development to slough it off, make no decision at all and just hope that the matter will go away. All the people involved in the argument deserve from the Government of Canada a clear statement of policy, whether or not it plans to allow drilling to take place. The developers who have already spent millions of dollars want to be able to plan for the future. They want to know the terms and conditions, if any, which will attach to the authority that they may or may not be given to proceed with drilling.

On the other hand, those who oppose and would not like to see activity of that nature take place in that location deserve from the Government of Canada the knowledge of what in fact is government policy.

I think that the Government has forgotten what is the function of the Cabinet. Each Minister goes around publicly stating his side of the argument. Surely decisions should be made in Cabinet. That is the place and time where Ministers can come together, sit and discuss these matters and come to a proper decision. The function of Cabinet is to make important decisions where there may be conflicting views from each department. Once that Cabinet decision has been made, then we should and ought to have—and have had in the past—Cabinet solidarity where, regardless of which Minister of the Crown one asks, one gets the same answer. It should not be one answer from the Minister of the Environment and another answer from the Minister of Indian Affairs and Northern Development.

The argument on this issue which is going on in public ought to go on in private. The Government of Canada ought to speak with one voice. It ought not speak with many voices.

In closing, I urge the Ministers of the Crown to put aside their public squabbles, and I urge the Government to get its

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act together and come up with one firm policy statement on the Lancaster Sound issue.

• (1815)

**Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, Lancaster Basin represents a westward extension of sedimentary deposits occurring in Baffin Bay, for which seismic data indicates a sedimentary sequence six kilometres in thickness in the Sound. Although no wells have been drilled in Lancaster Sound or adjacent areas, some hydrocarbon potential is inferred from a small active oil seep in Scott Inlet a few miles to the north. Recent Geological Survey of Canada estimates place recoverable oil potential in Baffin Bay/Lancaster Sound at 55 million cubic metres and a 50 per cent probability.

There has been interest in exploiting the petroleum resources of Lancaster Sound since the late 1960s. A federal Environmental Assessment Review Office panel recommended deferment of exploratory drilling until the Government had addressed the issue of the best uses of Lancaster Sound, and the proponent had demonstrated the capability to deal with the physical hazards to drilling in the Sound and preparedness to mitigate effects of a blowout.

In response to the recommendation for a Government regional use plan, the Department of Indian Affairs and Northern Development undertook in 1980 a preliminary analysis of potential options for the use of Lancaster Sound and the surrounding region.

Since that time, Consolidex Magnorth Oakwood, a consortium which has succeeded Norlands Petroleum as the permit holder for the land in question, has published a resource management plan for Lancaster Sound hydrocarbon development, and has submitted an official letter of application for drilling to the Minister of Indian Affairs and Northern Development (Mr. Munro).

Before any decision can be made relative to the issuance of exploration agreements, a number of important steps must be taken involving several federal departments. The Department of Indian Affairs and Northern Development must conduct a land use planning exercise and partake in native rights consultations. The Department of the Environment must ensure that all appropriate environmental safeguards would be employed. The Canada Oil and Gas Lands Administration of Energy and Resources must investigate all aspects relative to the technological and economic feasibility of any proposal, be satisfied that proper safety measures would be taken, and that any proposal would meet the appropriate Canada Benefits criteria.

May I simply say that while the federal Government is currently studying various options, no development will take place in Lancaster Sound. Such development could only take place once decision makers had conducted multi-dimensional analyses that confirm that development projects could be carried out in a safe and timely manner and would be beneficial to the people of Canada, particularly those in the region.