

Oral Questions

Some hon. Members: Hear, hear!

An hon. Member: Keep going.

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ENERGY

JUSTIFICATION FOR RAISING PRICE OF NATURAL GAS

Hon. George Hees (Northumberland): Of course I am going to keep going; I have been recognized by Madam Speaker.

Some hon. Members: Hear, hear!

An hon. Member: Go get them, George.

Mr. Hees: I have a question for the Minister of Energy, Mines and Resources—the original “Mr. Ironclad”. My question is this. As there never has been any economic justification for the price of natural gas increasing at the same rate as that for oil, following the increase of OPEC oil prices, which have taken Canadian oil prices steadily upward, there has been no economic justification for raising the price of natural gas.

Is the government considering increasing the price of natural gas at a rate no greater than the increase in the cost of production, so that our very large and steadily increasing supplies of natural gas in this country can be made more attractive for heating homes, factories, stores, office buildings, apartment houses and for industrial production? In this way we can bring Canada to a state of self-sufficiency in oil in the shortest possible time so that oil can be used only for transportation and plastics.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I thank the hon. member for his very helpful contribution. I will just say that the latest increase in the price of natural gas has been for exports to the United States. The domestic price is much lower than the equivalent world price of oil.

The increase in the price of natural gas shipped to the United States, and relating it to the substitution price for oil, was made under the Conservative government in January. I would expect that my colleague is not blaming the government of which he was a member for having done it. As far as this country is concerned, I am glad that we have the full support of the hon. members—

Mr. Clark: Herb does not understand the difference between Canada and foreign countries, either.

Mr. Lalonde: —and, I hope, all hon. members of the Conservative party in making sure that both in gas and oil Canada will not be tied to international prices.

Some hon. Members: Hear, hear!

Mr. Hees: Madam Speaker, I was not speaking of the price of natural gas exported to the United States. I am talking about the price of natural gas in Canada. The minister knows

very well that each time the price of oil in Canada has been increased following OPEC price rises, the price of natural gas has been increased by the same proportion. It is that that I am talking about.

I ask, in the interests of encouraging the use of natural gas for the uses I have mentioned, that in future the price of natural gas be increased only to accommodate increases in the cost of production, so that this very valuable fuel may be used for heating, and make oil available only for transportation and for plastics.

Mr. Lalonde: Madam Speaker, again the contribution by the hon. member is very interesting indeed. He will remember that under Liberal governments we always refused to raise the cost of fuel each time there was an increase announced by OPEC. The Conservative budget, however, wanted to tie in raising the price of oil to international prices.

Mr. Clark: That is not true. That is a deliberate falsehood.

Mr. Neilsen: That is a deliberate falsehood.

Some hon. Members: Oh, oh!

An hon. Member: Your nose is growing.

An hon. Member: Carry on, Pinocchio.

Mr. Lalonde: The Conservative budget wanted to tie the raise in the Canadian price of oil to international prices. We have objected to that. This was rejected in Parliament and rejected by the country.

As to the question of the price of gas, the suggestion of my hon. friend, as I have said, is going to be examined with great care, like all his other suggestions.

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THE CANADIAN ECONOMY

CANADA-U.S. EAST COAST FISHERIES TREATY—ATLANTIC ECONOMIC CONFERENCE

Mr. J. P. Nowlan (Annapolis Valley-Hants): My question is to the Prime Minister. It is going to try to bridge some questions on Atlantic Canada with the northern pipeline. My question to the Prime Minister is this: what further guarantees on the pipeline does he have that are better than the guarantees he has, as a government, on the fishing treaty on Georges Bank?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it seems to me that the situation is a bit reversed. In the case of Georges Bank we had the guarantee of the Administration, but we did not have that of Congress—nor do we have it yet. In the case of the pre-build, we have the guarantee of Congress and we are hoping to get a guarantee from the President. So we will have both.