

from a moral point of view that the provinces ought to have been consulted on the question of energy? Furthermore, given the new commitments that the federal Government wants to make in terms of internal pricing within Canada by these provinces, does the Government of Canada not agree that provincial agreement is constitutionally required in order for this agreement and its energy provisions to go anywhere?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, clearly, if there were in the free trade agreement with the United States changes leading to amendments to the Constitution, those amendments would follow the procedures already known in Canada for constitutional amendments, so that in such circumstances Prince Edward Island could take action if need be.

But I would call the attention of the leader of the New Democratic Party to the fact that this government has been reviewing its energy policy, since 1984. Our policy which is market-oriented and deregulation-oriented has been largely implemented in the oil and gas sectors.

In September last, long before the agreement was signed, I wrote to the National Energy Board asking for public hearings on the matter of electric power exports. Those hearings took place and Prince Edward Island made some representations.

The National Energy Board wrote to the Minister of Energy in July of this year to make its recommendations known. Those public recommendations were made available to all provinces, and Prince Edward Island can make its views known at every stage.

It is only next winter, after consultation with the provinces, that the Canadian government will take steps on the matter of hydro-electric power exports from Canada.

FREE TRADE—SUPPORT OF PROVINCES—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will try once more. My question to the Minister is very simple. Considering the powers the provinces have to control and develop their natural resources, would he not agree that the Canadian government must obtain provincial approval in order to conclude this agreement with the U.S.?

● (1430)

[*English*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, it is very clear that the natural resources, by the Constitution in this country, are the responsibility of the provinces. Nothing in the free trade agreement is against that aspect.

It is very clear that this Parliament, supported by the New Democratic Party, decided to create a National Energy Board with some responsibilities. That is the federal responsibility, and it is supported by the hon. gentleman's party.

Oral Questions

Mr. Broadbent: What has that got to do with the question?

Mr. Masse: In Canada the natural resources are owned by the provinces but the trade in natural resources between provinces and at the international border is in the responsibility of the federal Government.

SIGNING OF AGREEMENT—GOVERNMENT POLICY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Finance. He has said that the free trade agreement has removed the barriers to trade and energy. What this has done has not only removed the barriers to free trade but it has removed energy to the detriment of Canadians. There is, no longer, any protection against shortages of energy in Canada.

There were meetings with the Premiers to inform them about what was going on in these free trade negotiations, yet energy was never mentioned, in the words of the Premier of Prince Edward Island himself.

Was the Government so intent on signing this free trade agreement that it failed to protect Canadians against shortages of energy in Canada and double-crossed the provinces?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, it is true that the agreement provides for the establishment of various basic rules relating to exports, but it is also true that, apart from these general rules, there is nothing specific that applies to energy. So there are no particular problems with energy exports. There is a government decision to open the U.S. market to all Canadian producers and this includes people in all provinces.

[*English*]

GOVERNMENT POSITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, there is no problem about the export of energy for the Americans. There is nothing to stop them from taking whatever they want. Has the Government not read the papers this weekend on how the Americans are gloating about what they were able to squeeze from Canadians? We do not even know what energy means. It is not defined.

Mr. Speaker: The Hon. Member had an extensive preamble to the first question. I would ask him to put his question.

Mr. MacLellan: Mr. Speaker, is this Government so intent on being liked by the Americans that it gave up its control of the energy sector and all protection to Canadians against shortages in the industry, and Canadian sovereignty as well?