

Oral Questions

Mr. Turner (Vancouver Quadra): Mr. Speaker, on a point of order—

Mr. Speaker: The Chair cannot accept points of order during Question Period.

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ENERGY

REDUCTION IN CRUDE OIL EXPORT PRICE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Government has increased the petroleum compensation charge from \$4.19 to \$6.54 per barrel. At the same time the export charge for Canadian crude oil has been lowered from \$6.43 a barrel to \$4.68 a barrel and is currently in place at the lower rate. As the Minister well knows, this results in Canadian crude being sold on the U.S. markets at a price cheaper than it can be purchased in Canada by Canadian refineries. Why does the Government permit this to occur?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the issue addressed by the Hon. Member is a good example of why we are moving away from the terribly rigid pricing apparatus which was imposed by the previous administration. The problem that arises is that, in the very competitive oil and gas market which we face today, Chicago prices are below current world prices. That gives us a problem at the border. When we go to world prices, as we have indicated we will, we will be able to avoid this type of problem.

REQUEST THAT GOVERNMENT ELIMINATE PETROLEUM
COMPENSATION CHARGE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question is relatively simple. Why does the Government not move now, in the interests of the Canadian consumers and farmers who have to pay the higher price, to eliminate, once and for all, the petroleum compensation charge?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am glad the Member asked that question. It gives me an opportunity to explain that the previous administration left us with a \$1 billion deficit in that account, because they broke their own agreement and refused to raise prices last year in the middle of their leadership campaign when they should have done so. We have a \$1 billion deficit which we must deal with. We are dealing with it in negotiations with the provinces. At this moment we are not in position to remove that charge on the Canadian consumer. We have stated that we are going to world prices. When we go to world prices there will be no need for that charge, and the problem will be avoided.

DOMESTIC PRICE OF OIL

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, given that we are already at 96 per cent of world price, why is it necessary for Canadian consumers to pay more for the products they must have in order to survive in the unusual climate of Canada? Why is it necessary for Canadian consumers to pay more for their own oil than American consumers are required to pay for the same oil?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the answer is because that Party opposite supported the previous Government on the national energy policy.

Some Hon. Members: Hear, hear!

Mr. Deans: That is not true.

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EXTERNAL AFFAIRS

NICARAGUA—DIPLOMATIC RELATIONS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is for the Secretary of State for External Affairs. By the way, when the Minister wants some simple facts about Nicaragua he does not have to send a tape to a radio station in St. Catherines. He has only to come to my office in the East Block and I will tell him.

I would like the Minister to tell us whether it is true that when he made his very important decision not to send an observer to the election in Nicaragua he was not aware that there was an ambassador in Canada for Nicaragua, let alone did not consult him?

Right Hon. Joe Clark (Secretary of State for External Affairs): No, Mr. Speaker, that is not correct.

Mr. Chrétien: If it is not correct, I think the Minister should send a correction to St. Catherines because that is what the tape was saying.

[Translation]

REQUEST THAT MINISTER VISIT NICARAGUA

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, as a supplementary, I would like the Right Hon. Minister for External Affairs to tell me why he does not want to go to Nicaragua during his visit to Mexico, as our Secretary of State for External Affairs did last March, where he could see on the spot that the elections were held perhaps somewhat more democratically than the Americans are saying?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, two days ago, I had the opportunity to have a frank talk with some representatives of Canadian non-governmental organizations in Nicaragua. This conversa-