

spill. This is an extremely serious matter, given the precarious nature of the environment of the north.

I would like to ask the minister, considering that there is no contingency plan, whether he will now take steps to postpone the drilling until such a plan is developed, and withdraw from circulation this extremely misleading brochure.

Mr. Munro (Hamilton East): Madam Speaker, I do not think there would be much point in withdrawing the brochure, because it has been so widely disseminated already. May I just tell the hon. member I have been assured that the risks are so minimal, as a result of the safeguards built in for this year, and even so minimal based on what was the technology in previous years, that I feel it is safe to proceed. I do not feel I would be warranted in withdrawing the order, in terms of what is required to be done.

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ENERGY

GOVERNMENT PLANS TO MEET COST OF IMPORTED OIL

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is to the Deputy Prime Minister and Minister of Finance, and it deals with the cost of imported oil. The cost of imported oil landed at Montreal has been averaging \$35 a barrel in recent weeks. This cost is now going up \$2 a barrel as Saudi Arabia is raising its price \$2 a barrel. At the time of the budget of December 11, the cost was \$25.75 a barrel. The minister told us some weeks ago that the oil import compensation subsidy was going to go to \$3.1 billion.

Will the minister tell the House how he plans to meet the payments on this increased cost of the subsidy? Is he going to face the problem, or is he just going to allow the deficit to increase beyond the \$14 billion mark? If he intends to do this by increased borrowing, will he assure the House that he is not going to have problems, in view of the tremendous rate of redemption of Canada Savings Bonds to the extent of \$1.1 billion since April 1? How is he going to deal with this increased compensation problem?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, in connection with the borrowing that may be required by the Government of Canada, it is my information that the borrowing that will be needed can be handled. Certainly, it is not my intention—as I indicated on April 21—to allow the deficit to run out of control, and when a budget is brought in—

Some hon. Members: Oh, oh!

An hon. Member: It is out of control now.

Mr. MacEachen: When a budget is brought in, the hon. member will have in detail the over-all picture, including expenditure and possible tax measures.

Oral Questions

Mr. Crosbie: Madam Speaker, the hon. minister is surely the modern-day Sam Slick, because he has told us nothing. He did say, "when the budget was to be brought in".

An hon. Member: Give us a date.

Mr. Crosbie: The minister has told the newspapers, and those are the only people he tells anything to, that:

"A budget could collapse and be highly embarrassing if no agreement was in place", MacEachen said—

Excuse me using your name, hon. gentleman.

Some hon. Members: Oh, oh!

Mr. Crosbie: The news item goes on to say:

—predicting there would be no new budget until the fall.

Is it now the minister's plan to have a new budget only this fall, and will the minister have a new budget at all if there is no oil pricing agreement?

Mr. MacEachen: Madam Speaker, it is my intention to have a budget. I hope it will be possible to bring it in before the fall, but the fall is certainly a possibility, as the hon. member knows.

Some hon. Members: No.

Mr. Crosbie: Madam Speaker, this is the first firm piece of news the minister has given this House since we opened, that there will be a fall this fall.

Some hon. Members: Oh, oh!

Mr. Crosbie: We had a fall last fall.

Some hon. Members: Oh, oh!

Mr. Crosbie: In last fall's fall budget there was a special energy tax on the oil and gas industry, the proceeds of which were to be devoted exclusively to energy projects. Will the minister tell us, if there is a special tax on the oil and gas industry this year, in his new budget in the fall, or whenever the fall falls on, will the proceeds of that special tax be devoted exclusively to energy projects and to nothing else?

● (1430)

Mr. MacEachen: Madam Speaker, I thank the hon. member for giving me his assistance in the preparation of the budget, which will be arduous and which, I trust, will not result in the ignominious fate that surrounded his budget. Nevertheless, I thank the hon. member for his suggestion and ask him to restrain himself and be patient until the budget is brought forth. Then all these matters will be revealed and the universe will unfold as it should.

An hon. Member: That is an ominous prospect.

Some hon. Members: Hear, hear!