

Oral Questions

Mr. Crosbie: Good old swinging door!

Mr. Hees: Close the door, John!

Mr. Andre: During his recent junket to Saudi Arabia, the Minister of State for International Trade was quoted as saying that a drop in world crude oil prices would have disastrous consequences for the Canadian economy. He could have been thinking about a number of things, but he was undoubtedly concerned about the effect of dropping crude oil prices on offshore exploration, particularly on the East Coast.

Given the fact that oil and gas exploration, particularly East Coast offshore exploration, is one of the few bright spots in an otherwise dismal economic outlook, what steps is the Minister planning on taking to ensure that this new hope for the future is not lost as exploration slows down in an inevitable response to crude oil prices, prices much less than were predicted by the Minister's predecessor and much less than are economic under current fiscal and regulatory regimes?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, at this time we have an agreement with some oil companies to do some drilling off the coasts of Nova Scotia and Newfoundland. Of course, in order to achieve the goals to which the Hon. Member referred, it would be very useful to be able to come to an agreement with the Government of Newfoundland. We were supposed to meet today, but, unfortunately, they have not shown up.

Mr. Baker (Nepean-Carleton): They did not show up?

REQUEST FOR CHANGES IN LEGISLATION

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the legislation governing offshore frontier exploration is the Canada Oil and Gas Act which, like the rest of the National Energy Program, was based on assumptions which are turning out to be totally wrong. Surely if the Canada Oil and Gas Act was appropriate for the assumptions that underlined it, it must be malappropriate or inappropriate for the actual real world situation which exists today.

Will the Minister wait for a curtailment on East Coast exploration prior to acting, or will he give a commitment to the House to act now, to put in the changes now, before East Coast exploration joins the long line of casualties, such as the tarsands plants and so on, which are a result of government mismanagement? Will he not act now, before we see that curtailment of this bright hope?

Mr. Baker (Nepean-Carleton): Open the door.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I have not received any indication from anyone that the agreement which we have signed with the industries drilling off the coast of Nova Scotia, for example, will not be kept, that they will not follow up with the commitment they made to both Governments. There is no reason for me to believe that they will not fulfil their obligations because of the present OPEC situation. As I say, the best tool in ensuring development off the coast of Newfoundland

would be to have an agreement with the Province. I have worked very hard in the last three months in order to achieve it. I am very disappointed, considering the agreement that we were to meet this afternoon in Montreal, that they have not come up.

Mr. Nielsen: It is the weather.

PRICES PAID BY CONSUMERS

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the disaster of falling crude oil prices predicted by the Minister of State for International Trade could be accurate with regard to the effect on Government revenues which will be disastrously short of predictions. It could be right in terms of its effect on exploration, particularly offshore frontier, if the Minister does not act. However, it is an ill wind which does not blow some good, and at least the consumers should expect to pay less for gasoline and heating oil if world crude oil prices decrease.

In the United States, Americans, whose Government does not claim to protect them from high prices, are paying less for gasoline and heating oil than are Canadians, whose Government claims to be protecting them from high world prices. When can Canadian consumers get the benefit of this international situation? When will the Government live up to its election promises?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I would like to reply to the question by saying, as I said yesterday in the House, that there is a break, a variation in the price of oil in Canada, depending on the Province where one lives. In some Provinces, like Alberta, there is no sales tax, while in Quebec, for example, and other Provinces, there is a huge provincial sales tax which makes a big difference in the price.

The Hon. Member is proposing some change in the agreement with the Provinces at this time, but he should check with the authorities in his own Province of Alberta, who stated yesterday they are not interested in any change at all.

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NUCLEAR ENERGY

FUTURE OF HEAVY WATER PLANTS IN NOVA SCOTIA

Mr. Howard Crosby (Halifax West): Madam Speaker, my question, which is directed to the Minister of Energy, Mines and Resources, concerns the heavy water plants in Nova Scotia, operated by Atomic Energy of Canada Limited. Is the Minister of Energy, Mines and Resources listening? Are you there?

● (1420)

I have a question for the Minister of Energy, Mines and Resources about the heavy water plants operated by Atomic Energy of Canada in Cape Breton, Nova Scotia. The Minister