

ernia developed? The Minister has reduced the price of oil and she is phasing out PIP grants.

Mr. Mazankowski: You were wrong in 1980 and you are just as wrong today.

Miss Carney: Mr. Speaker, may I point out that the Party to which the Hon. Member belongs supported the NEP, which was based on the scenario that oil prices were going to go sky high.

Mr. Waddell: We never supported the NEP. You know that.

Miss Carney: He says he did not support the NEP. We can give him his speeches.

Mr. Waddell: Look at the vote.

Miss Carney: If he wants to worry about Hibernia, I can assure him I have just got commitments from some of the major players in Hibernia to commit \$800 million a year of reinvestment into those offshore resources. I am meeting with them all the time to get more commitments. All of these companies with a big stake, including Petro-Canada, in the development of Hibernia and Venture have told me that by removing the PGRT and improving their cash flow we will enable them to increase the investment into the offshore resources in the Beaufort and conventional fields.

May I point out that the reinvestment ratio of this industry before the NEP was 110 per cent of its cash flow a year. It fell to 65 per cent after the NEP. We are providing them the room to get back up to the 110 per cent reinvestment rate because that creates jobs for Canadians right across the country.

● (1550)

Mr. Boudria: Mr. Speaker, when I asked a question of the Minister earlier this afternoon she replied that the answer would be in her speech. My question was with regard to the pricing of gasoline in Ontario. I will repeat the question for the Minister, and perhaps now she can answer it.

This document has far-reaching effects on the consumers of the Province of Ontario. Many people are of the opinion that this will increase gasoline prices by as much as 23 cents a gallon, gouging Ontario consumers. Has the Minister consulted with the Premier of Ontario about the details of this Agreement? He claims that she has not. Is she also prepared to tell us why she has not consulted? Of course, the Government prides itself on the consultation process. What assurances can the Minister give Ontario consumers that they will not be taken for a ride immediately after the Ontario election is out of the way and the Minister of Finance (Mr. Wilson) can perpetrate his attack on the people of Ontario by increasing taxes on gasoline?

Miss Carney: Mr. Speaker, I am truly not sure whether that is one question or a rag-bag of allegations. However, with your indulgence, I will attempt to deal with the points raised.

The Hon. Member suggested that oil deregulation was set for June 1 because of the election. This shows, if I may be

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permitted to say so, the Member's ignorance of this industry. I have repeatedly said that the industry needs 60 days or more to adjust from a highly administered system to a free market. Our agreement was to run out on March 31, and June 1 is the appropriate date. It has nothing to do with the Ontario election.

The Hon. Member also raises the question of increased gasoline prices. I fail to understand how a toughly negotiated Agreement, which took six months to negotiate and is aimed at deregulating prices to reflect market forces, could possibly increase gasoline prices. We are going to world prices. We are almost there now. If the Hon. Member for Vancouver-Kingsway (Mr. Waddell) is right that by creating a market environment prices will continue to decline, obviously that provides the environment for gasoline prices to decline. They certainly are not going to increase in a declining market.

I have repeatedly made the point that governments do not set gasoline prices. In the past, Governments have set well-head prices. We are going to create the environment for market forces to operate with buyers and sellers involved. If prices go down, then product prices should go down. If the provinces want to increase taxes, that is out of our hands.

Mr. Elzinga: Mr. Speaker, I want to give the Minister the opportunity to respond to some falsehoods we are hearing from the opposite side and to have her underscore a number of points she has made. Prior to putting the direct question to her, I would like to share with the House—

Mr. Speaker: Order, please. This is not the time for statements. This is specifically the time for questions to the Minister about her statement. Does the Member have a question for the Minister about her statement as opposed to one about questions from the other side?

Mr. Elzinga: Thank you very much, Mr. Speaker. Could the Minister underscore once again, for the benefit of the Opposition, the impact that this will have on job creation in Canada?

Miss Carney: Mr. Speaker, I can do that. I can also make the point that since we are removing the Canadian ownership charge, there will be a downward impact on June 1 on natural gas prices. When a tax comes off, prices tend to go down.

With regard to job creation, I would like to outline some of the benefits which could occur. As I said, the Economic Council of Canada has suggested that 100,000 jobs will be created. Other independent agencies, such as Chase, etcetera, consider that 300,000 jobs may occur. We know that we lost jobs under the NEP and we have every expectation that jobs will be increased. We have already started in that direction through the measures taken in the November 8 statement which increased benefits to the small producers. We expect jobs to occur right across the country.

Mr. Speaker: I will deal with this now because we are going to run out of time. I have a feeling that the House wants to ask a lot of questions on this matter.

An Hon. Member: Ask for unanimous consent.