

Canadian gas industry has twice the export volume permits as it is able to sell and B.C. consumers are paying five cents a gigacoule more for B.C. gas than Americans pay to get the same B.C. gas. Would the Deputy Prime Minister explain to Canadians why on those two counts this deregulation policy, and this policy of no longer having a surplus test, is good for Canada?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I just indicated that the National Energy Board has a feature whereby it can intervene if the market is such that it would impair the Canadian consumer.

I know the New Democratic Party policy is to phase out all exports of natural gas and oil. That is something certainly not consistent with the oil energy policy.

Mr. Riis: What a phoney.

Mr. Mazankowski: As a matter of fact, if the Hon. Member would familiarize himself with the reality in the producing provinces, he would know that this has gone over very well. The ruling is likely to kick off a gas boom. I am sure that is what the Hon. Member would want. Let me quote, "Benefits offset costs from new gas rules". It is good for the consumer. It is good for the producer, and it should be good for everybody in Canada, except the NDP, and we don't mind that at all.

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SOVEREIGNTY

BEAUFORT SEA—UNITED STATES SALE OF OIL AND GAS LEASES

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Secretary of State for External Affairs. On August 20 the Minerals Management Service of the United States Department of the Interior published a notice of sales of oil and gas leases for certain areas of the Beaufort Sea, part of which is Canadian territory.

On September 3 the Deputy Prime Minister and the Minister of the Environment were asked about this notice of sale and about the oil and gas leases. They didn't know anything about them at that time. Surely the United States Government notified the Canadian Government about this notice of sales of oil and gas leases. When did the United States Government notify the Canadian Government that this notice of sales would be published and that it would be considering bids? What is the Government's response? What response did it give the United States Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this is an old issue which has been discussed in the House before but that does not make it any less important. The situation is, as I think the Hon. Member might know, that any bids that have to do with disputed territory will be put in escrow until the dispute is resolved.

Oral Questions

That position has been adopted by the Government of the United States as a result of the representations made by myself on behalf of the Government of Canada nearly nine or ten months ago.

With regard to the decision that was taken in August which extends the application of bids to areas in disputed waters and areas not in disputed waters, the same rules apply. Just to make doubly certain of that, I have been in touch again with the United States Government to indicate that we require and expect that bids in disputed waters in this case will go into escrow.

● (1450)

CANADIAN POSITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Secretary of State for External Affairs said that he would not be taking any direct action while environmental hearings were going on and would wait until there was a consideration of bids. I think that point has arrived.

I am concerned that the United States is strengthening its case in this disputed territory. What will Canada do to strengthen its case in this disputed territory, or will this be another blatant giveaway in an attempt to secure a free trade agreement with the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): No, Mr. Speaker, it will not be any kind of a giveaway. The Hon. Member may not have understood my earlier answer and I am sure that was my fault.

The situation is that there has been and is a policy in place providing that any bids relating to the disputed waters, precisely because they are disputed, will be put in escrow. That does not affect the question of the dispute.

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SENIOR CITIZENS

MINISTER'S DISCHARGE OF RESPONSIBILITIES

Mr. Jim Edwards (Edmonton South): Mr. Speaker, a certain Hon. Member opposite has suggested that the new Ministry for Senior Citizens might have more to do with cutting ribbons than with helping seniors. I would like to address a question to the Minister of Veterans Affairs who is the Minister responsible for senior citizens.

Can the Minister assure the House that he will bring to the administration of seniors' affairs the same skill and resolve, consultation, compassion and sensitivity that he has demonstrated in his Veterans Affairs portfolio?

Some Hon. Members: Hear, hear!

Hon. George Hees (Minister of Veterans Affairs and Minister of State (Senior Citizens)): Mr. Speaker, the Hon.