

*Energy*

This government has its priorities all wrong. We are threatened with a shortage of oil in Canada, and in eastern Canada in particular, as has been admitted by both the Prime Minister (Mr. Clark) and the Minister of Energy, Mines and Resources (Mr. Hnatyshyn). The government has been fiddling for the last few months with huge price increases in oil and gas in the form of direct or disguised taxes, and we are faced with the situation where eastern Canada, the Atlantic provinces, need more natural gas and need a gas pipeline to take gas to the homes and to the industries there.

What we have today is a general statement about the domestic situation, a number of platitudes that we have heard before, and then, to resolve that dramatic and tragic domestic situation, we have an announcement that we will sell 3.7 trillion cubic feet of gas to the United States. That certainly is a clear indication that this government has its priorities all wrong.

There is one good thing in this statement, and that is at the beginning where it tells us that gas is a Canadian success story and it speaks pretty eloquently about the great things that have been done in Canada. I should like to remind the minister that these things have not taken place by themselves. They have taken place through legislation that had been put forward by this government when it was in office—

**Some hon. Members:** Hear, hear!

**Mr. Lalonde:** —often over filibusters by the opposition.

The minister spoke about the discoveries in the Beaufort Sea, the Arctic islands and off the east coast of Canada. I should like to remind the minister that most of those discoveries have been done either with or by Petro-Canada over the last three and a half years—

**Some hon. Members:** Hear, hear!

**Mr. Lalonde:** —and that Petro-Canada today is the second largest gas producer in this country.

**Mr. Andre:** So is Pacific Pete.

**Mr. Lalonde:** In terms of the non-renewable resources in this country, gas is the largest non-polluting resource we have and the easiest and cheapest to transport across the country. Therefore, we should be extremely careful and cautious when we talk about exports. We should think in terms of the necessity of conserving it for future generations and of the future needs of our country. The worst thing we could do is to export gas for a fast buck or in order to support a faltering dollar, because then it will mean that down the line we will have to supply our Canadian needs with more expensive and more polluting resources, such as coal for instance. We have to be very cautious about relying upon illusory, short-term gains.

**Some hon. Members:** Oh, oh!

**Mr. Lalonde:** Mr. Speaker, I would remind hon. members that we listened with politeness and courtesy to the minister. I would hope they would extend the same courtesy to this side.

**Mr. Pinard:** They are not taking this seriously.

**Mr. Lalonde:** And I hope they will take this question seriously, because it is very serious.

So in the short term we may increase the value of our dollar but we might very well diminish the competitiveness of our farmers, fishermen, and our manufacturing sector, by artificially propping up the dollar in the short term and finding ourselves less competitive in the world.

Therefore, if we have to have a bias, our bias as Canadians should be against any gas exports outside Canada. But let us assume that it might be possible to export surplus gas at this time. That should take place only on the basis of an overriding national interest, and only with the guarantee that Canada is getting the maximum advantage out of such a deal. In particular, no long-term commitments should be made.

In the past we know that, on the basis of information that has proven erroneous subsequently, Canada has exported gas and oil which now we wish had not been exported and had remained in Canada. It is therefore important that we approach the question of exports with utmost caution. Obviously that applies to gas in particular. It does not apply to oil since we do not have a surplus of oil, even though the Prime Minister last January made a generous offer to Japan of a non-existent oil surplus during his famous world tour.

So far as the statement of the minister is concerned, we note the vagueness of the statement about the building and completion of the pipeline which is essential. It leaves open the door to delays in the pipeline construction by extending the authorization of exports over a period of seven years and the possibility of reviewing the authorization after exports have started, therefore authorizing exports before the commitment for the building of the line has been made.

There is no word in this statement regarding swaps, and nothing about the eastern Canadian situation, the building of the Quebec and Maritime pipeline, and the possibility of exports to the northeastern states. In our view, exports of natural gas to the United States should be authorized only on the basis of, first of all, an ironclad commitment regarding the building of the whole Alaska gas pipeline. Everything has to be signed, sealed and delivered, particularly the financing plan and the financing guarantees, before we start exporting one cubic foot of gas out of this country to the United States.

Second, there must be an arrangement for swaps in this agreement with the United States so that down the line, if Canada were to need natural gas, we would be in a position to obtain natural gas from the Alaska gas pipeline which we might need in exchange for the gas we are now providing to the Americans. That would be the second point.

The third point is with regard to revenues arising out of gas exports to the United States. They should be used to ensure the initiation and completion of the Quebec and Maritime gas pipeline so that eastern Canada would be fully served in terms of gas service and so that people in the maritimes and eastern Quebec would be assured of getting natural gas at a reasonable price.