

dollar a gigajoule on the spot market for natural gas. These people are only going to be working for the banks. They will not be working for themselves any more. How long can they hold on? Why is this happening? It is happening because of this Government's major fear of the word "regulation". It feels that anything to do with regulation is bad. If regulations exist, such as they do with the distributors and the carriers, then it ignores that they exist. It is blind to those regulations. This is deregulation regardless of how many regulations continue to exist.

What about the householder? What is the householder going to do? Right now natural gas is competitive with other types of fuels. It is competitive now even before deregulation. If the price of natural gas goes down substantially what is going to happen? First, it is going to make it much more competitive with respect to the alternate fuels. Do you mean to tell me, Mr. Speaker, that the provinces will allow natural gas to decrease further giving other energy suppliers an additional edge on their own public utilities, such as hydro-electric power? No, that is not going to happen. It is not going to be allowed to happen. Even though the producers are being gouged by the price they are being paid, the homeowner is not going to benefit.

What is going to happen is that the pipelines and the carriers are going to gradually increase their margin. The distributors are gradually going to increase their margin. The provinces, through taxes, are going to increase their take. This has happened already. The Province of Quebec announced an increase in its retail sales tax. The Province of Manitoba has placed a tax on the fuel used to transport the natural gas in the pipeline system as it goes through Manitoba. These are the types of things that are happening. Who is suffering? The producer is suffering, with no benefit to the householder.

What about transportation itself? Prior to this when all the natural gas was going through the pipeline, commercial natural gas was subsidizing somewhat the transportation of the natural gas that went to the retail homeowners. But now, because you have direct buyer and seller contracts, that is not possible. The total cost of the transportation of the natural gas through the pipeline system must be picked up by the householders themselves. This means that transportation costs are going to be greater. Deregulation is not going to wash. I predict very confidently that we will have an Alberta border price by the end of the spring of 1987. The situation is continuing to deteriorate.

I would ask the Government to please look at this sector again. Look at its problems to see what else can be done to help this sector along. So much needs to be done, not only in a monetary sense but from the point of view of building up the confidence of the producers in the oil and gas sector. By doing away with the adjacent border price, as was done recently, all that will result is cheaper gas going into the United States. More gas will be sold, but there will not be much more return, if any, in total revenue. The additional gas that is sold will not

bring in enough extra money to make up for the reduced price of the gas per gigajoule.

Gas is being sold more cheaply to Americans than to the householders in Canada. That is not right or fair. There is a gas bubble in the United States that will soon dissipate and disappear. By selling this cheap gas to the United States we are inflating that bubble, making it an even longer sausage. The problem is that we are not going to get any more money by doing away with the adjacent border price. We are not being fair with Canadian residential consumers. We will lengthen the gas bubble in the United States, but we will put producers in a more difficult position, particularly the small ones, because they will receive less for the natural gas they sell. We are not helping them where they need help most, other than in a higher price by giving them access to the pipeline system. There is no prorating involved that would give small producers more of a chance to get into the pipeline system, thereby enabling them to sell their natural gas.

● (1550)

This is a very badly advised energy policy. Doing away with the adjacent border price has once again aroused the ire of protectionists in the United States who now think that it is unfair competition to sell natural gas in the United States more cheaply than it is being sold to Canadians.

Although we support the assistance provided by the Bill—and it is the only assistance the federal Government has given—we denounce the insensitivity of the Government in not developing a proper fiscal regime and energy policy for Canada. We further denounce the misguided programs the Government has brought into effect which hurt both Canadian consumers and producers.

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#### POINT OF ORDER

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, pursuant to an earlier understanding, I wonder whether we could revert to the tabling of documents and then statements by Ministers to allow the Minister responsible for Canada Post to table pertinent documents and to make a statement. I believe there is agreement to that effect with the other two Parties.

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, we have no objection to this procedure, as long as it is within reason.

I was required to ask the critic of my Party to remain an extra three-quarters of an hour to accommodate the Minister who was late in making a statement; they are normally made at three o'clock. Is the document which was given to the Hon. Member at one o'clock today the document from which the Minister will be speaking? I also ask the Government House