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and the industry, to bring our concerns to the attention of the U.S. administration.

It is true that our representations did not deter the FERC from reaffirming its original approach. However, this should not be interpreted as a failure. Our arguments have gained ground. It is clear that many in the U.S. administration and among the customers of Canadian gas are deeply concerned about the impact of this decision on the credibility of the United States as a reliable trading partner. There is pressure in the United States from consumers of Canadian natural gas on the administration and, indeed, on the regulatory body because they recognize the impact on the credibility of the United States as a reliable trading partner and the effect that this could have on their continued energy security. So we are not alone in our concerns.

The United States needs Canadian natural gas, and it needs it now. Many of the regional markets are heavily dependent on our gas supplies. As U.S. deliverability declines, demand for natural gas imports will increase. U.S. consumers know that Canadian natural gas is reliable. When they want secure, long-term contracts they come to Canada.

Over the past year we have seen several proposals to serve the U.S. Northeast with Canadian natural gas. Ocean State, Alberta Northeast and the Shell-Granite State contracts will provide our producers with new markets for their natural gas. Even more important, these projects will supply the Northeast with a secure, reasonably priced alternative to oil imports.

It is this kind of mutual benefit that has been the underpinning of our bilateral gas trade. But industry on both sides of the border must have a predictable, stable basis on which they can negotiate arrangements which meet the needs of buyers and sellers.

In conclusion, we intend to sustain and increase our efforts to bring our concerns to the attention of the U.S. administration, U.S. regulators, authorities and U.S. consumers and producers.

Unlike the previous Liberal Government, this Government believes that discussion and dialogue are the best tools to bring an end to trade problems. We are determined to overcome problems affecting our natural gas trade so that industry on both sides of the border will be free to continue and to develop trade arrangements of lasting benefit to both our countries. This Government is not anti-American.

Mr. MacLellan: Madam Speaker, I appreciate the speech of the Hon. Member for Athabasca (Mr. Shields). I have always known him to be fairly straightforward and fair. However, once again, as with the Minister, I find very great difficulty in accepting that the Government can do nothing other than what it has done. It is not making any objection to the turning down of the petition of the Canadian natural gas producers other than the Prime Minister saying that he will bring it up at the Venice Summit.

Something which I am completely unable to swallow is the fact that the Federal Energy Regulatory Commission of the United States is able to make rulings that affect Canada, particularly when they concern the import of natural gas into the United States, something which falls under the jurisdiction of the Department of Energy of the United States, yet the Department of Energy can do nothing. In my opinion the American Department of Energy is playing politics and is choosing to do nothing. I think that our Government's letters and requests to the American Government are being ignored. I think that is detrimental to the Canadian economy, in particular to the export of natural gas from Canada to the United States. It is blatantly offensive and damaging to Canadian sovereignty.

I wish to ask the Hon. Member for Athabasca about something his Minister said regarding investment in Canada and how Investment Canada is being run. I have a great concern about the amount of money coming into Canada from outside Canada which is going toward acquisitions instead of new investment in this country. When I hear that 90 per cent of the money involved in the approvals of Investment Canada goes not to investment but to acquisitions I have a tremendous difficulty seeing that as being of benefit to Canada.

What I want to ask the Hon. Member is how this will benefit Canada.

Mr. Shields: Madam Speaker, I will answer the last question first. The Hon. Member talked about investment coming into Canada. To illustrate my point let us use as an example the Husky investment by Mr. Lee of Hong Kong and the subsequent announcement of the \$1 billion investment to develop in the Beaufort. I think that is very significant. It is clear to me that there is considerable benefit when someone of Mr. Lee's stature invests in the purchase of a large oil company and then immediately upon it going through Investment Canada announces a major investment in terms of the development of the Beaufort. I think that is what we are talking about.

Let us recognize too that this is not a country—

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the Hon. Member. When Government Orders are resumed the Hon. Member will have six minutes left in his question and comment period.

It being one o'clock, I do leave the Chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.