

Oral Questions

exchange of youth programs during the summer period, and an additional tour of the National Arts Centre. Moreover, funds will be made available to all citizens, groups, municipalities and localities in Ontario interested in applying for grants in the same format as that in which we implement the Canada Day celebration programs. Next week the details will be made public so that everyone who wants to participate in the celebrations will have an opportunity to file a request.

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ENERGY

PROPOSAL TO SHIP PRUDHOE BAY GAS VIA COOK INLET

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my question is for the Minister of Energy, Mines and Resources, if he could put his coffee down and come into the House.

Is the Minister aware of a serious proposal being made by an American company, the Yukon Pacific Corporation, on the board of directors of which sit two former Governors of Alaska, to pipe Prudhoe Bay gas to Cook Inlet where it would be liquefied for shipment to Asian markets? If so, does the Minister share my view that were the United States administration to approve such an undertaking it would constitute a breach of the spirit of the 1977 treaty between Canada and the United States which contemplates shipping Prudhoe Bay gas to the lower 48 States through a pipeline via Canada?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, of course I had to take a coffee because the Opposition is so dull that I wanted to remain awake.

Mr. Nielsen: When are you going to start?

Mr. Chrétien: Madam Speaker, we made a deal with the American administration many years ago, and I think it will want to keep its word. If the administration in Washington decides to take gas from Alaska to its markets it will use the Canadian route.

CANADIAN POSITION

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I have a supplementary question. Since this proposal has been advanced, can the Minister of Energy, Mines and Resources, or perhaps the Secretary of State for External Affairs, tell us what formal communication has taken place between the Government of Canada and the Government of the United States to reiterate our position, that it was in keeping with the original treaty that the gas not go to Cook Inlet and be exported that way but, rather through a pipeline built on Canadian soil?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I do not think that I need to reaffirm our position to the American administration. It is well

aware of it. The proposition is not one advanced by the public sector in the United States; it is a project of private entrepreneurs. Personally, I do not think that it seriously threatens the building of the pipeline. That is not being built at this time because there is no need for the gas in the American market.

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EMPLOYMENT

FUNDING FOR YOUTH JOB-CREATION PROGRAMS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is directed to the Minister of Employment and Immigration. On numerous occasions he has indicated that one of the stumbling blocks to creating employment is a shortage of working capital to fulfil the Government's needs. Last year the Government handed out \$1 billion in PIP grants to the oil industry. The industry has indicated that this encourages the drilling of dry wells rather than encouraging self-sufficiency in energy. Will the Minister meet with his colleagues, the Minister of Energy and the Minister of Finance, and redirect that \$1 billion into youth employment in order that we might have sufficient money to begin to meet some of their needs?

● (1450)

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, my recollection is that those grants were brought in to replace the change in various tax provisions which had been designed to encourage that kind of activity. I am not sure whether it would be appropriate to refocus them in the way in which the Hon. Member has suggested. However, since he has asked me to discuss this with my colleagues, I will follow his advice and do so.

USE OF PIP GRANTS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my supplementary question is directed to the Minister of Finance. The Minister is well aware, from his previous involvement, of the actual use to which the PIP grants are now being put. He surely must recognize that the PIP grants are not creating energy self-sufficiency but are in fact simply government money being handed over to oil companies without any tangible return. Does the Minister of Finance not agree that this billion dollars could be better spent in creating employment for the half million young people who, up to this point in time, have not been able to find any employment, rather than simply handing it over to the oil companies without any return?

[Translation]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member is showing incredible ignorance of the situation in the energy field and how the tax system operates in Canada. As my hon. colleague said earlier, the grant system was introduced to replace a measure that provided for deductions on the basis of depreciation, which tended to be particularly profitable for foreign companies. We introduced a new