

Inquiries of the Ministry

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): I presume the hon. member is referring to the Levy report. This report was read and analysed by my officials a number of weeks ago. Mr. Levy is one of the world's prominent oil experts who deserves to be read with great attention. Generally speaking I can say that my experts are more optimistic than Mr. Levy. On the subject of exports to the United States, I can only say that they have been growing substantially. They were averaging 317,000 barrels per day in 1965 and 379,000 barrels per day in 1966. This indicates quite a growth. However, the hon. member can be sure that the government, in co-operation with the industry, is at the moment still trying to expand these markets.

Mr. Harkness: I did ask particularly whether the minister and his officials had any consultations with representatives of the oil industry with regard to steps that could be taken, and particularly if anything had been done leading toward the construction of a pipe line into the Chicago market?

Mr. Pepin: Extensive consultations have taken place with regard to the matter the hon. member mentioned.

Mr. Eric A. Winkler (Grey-Bruce): Within the last few hours reports have been circulated, consistent with the questions that have been asked, to the effect that the crude oil industry is working at less than one third of capacity. Is there a complete program in the United States for the sale of this product?

Mr. Pepin: A complete program?

Mr. Winkler: By the Canadian government?

Mr. Pepin: The policy was originated six years ago by the previous government, and it has been progressing ever since. The Canadian government, with the full agreement of the Canadian industry, has developed the program consistently in the past years. Last year the Canadian oil industry broke the one million barrels a day production barrier, and the rate of increase of exports has been 18 per cent in 1966 over 1965. I do not believe it is proper to talk about this industry other than with enthusiasm.

Mr. Eldon M. Woolliams (Bow River): My supplementary question will be directed to the Prime Minister. In view of the important answers given by the Minister of Energy, Mines and Resources, and in view of the

[Mr. Harkness.]

discussion which I had with the Prime Minister before the house opened, will the Prime Minister be prepared now to have one of the ministers, either the Minister of Trade and Commerce or the Minister of Energy, Mines and Resources, make a statement on this important matter outlining the situation and the policy of the government?

Right Hon. L. B. Pearson (Prime Minister): I will be glad to discuss the matter with the Minister of Trade and Commerce and the Minister of Energy, Mines and Resources, who are the two ministers most concerned, to ascertain if a time can be arranged for such a statement.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask a supplementary question of the Minister of Energy, Mines and Resources. Has his department made any feasibility study of extending the oil line into the Montreal market area, and will such a study be made available? Has the government any policy to announce as a result of such study, if it has been made?

Mr. Pepin: A continuing study is made by the National Energy Board and that subject is also covered, as the hon. member knows, by the Levy report. The industry is also studying this possibility, but at this moment there seems to be a consensus that increased exports to the United States are more desirable than building a pipe line to the Montreal area. Our efforts, therefore, are concentrated now in this field of further exports to the United States.

Hon. E. D. Fulton (Kamloops): I should like to ask the Prime Minister whether, in the light of the great new discoveries of oil in Canada, as well as the proven oil reserves, the government of Canada has initiated discussions with the government of the United States with a view to obtaining an upward revision of the quota of the North American oil market allocated to proven Canadian reserves.

Mr. Pepin: Canada benefits in the United States from what are referred to as the overland exemptions. These exemptions are set from year to year, and this is presently being discussed by Canada and the United States.

Mr. Fulton: Am I to understand from the minister that discussions are under way between the two countries now?

Mr. Pepin: Indeed.