

*Energy Supplies*

delivery of gas from the Beaufort Sea area in the next few years.

While the Leader of the Opposition was on his tour around the world making headlines at home, some of which he did not like very much, the Minister of Energy, Mines and Resources was in Mexico working out a state-to-state agreement between Petro-Can and the Mexican oil company to purchase 100,000 barrels of oil a day. I understand that will start flowing later this year.

The minister indicated a great deal of progress has been made on this agreement. We have to look at that trip not only from the perspective of how good it was for Canada in view of the shortage of supplies we are going to have from Iran, but also in terms of trade. It was not a case of us buying their non-renewable resources but a case of us buying their non-renewable resources and selling them manufactured goods in the form of a Candu reactor. This has got to be the kind of mature economic arrangement which Canada, as an industrialized nation, should be working toward.

We are selling manufactured goods for non-renewable resources. Obviously this is a good arrangement for us. At the same time we must look at this in the context of President Carter's visit there last week. He did not make a deal. It was not a very productive trip. Obviously the trip of our Minister of Energy, Mines and Resources looks that much better because of the very good progress that was made.

This did not happen because of his one visit. We look back a few years to the joint ministerial meetings and visits to Mexico, and the visit by the Prime Minister (Mr. Trudeau), all working toward the day when this kind of an arrangement would be necessary for Canada. Obviously that agreement will be very beneficial to our country.

One of the reasons for setting up Petro-Canada was to be able to make these state-to-state trading arrangements. If we look down the pike 30 or 40 years, the equation for non-renewable resources like gas and oil will get tighter and tighter. As that occurs, the need and demand for a company like Petro-Can will be even greater.

Can anybody imagine a private utility meeting the energy needs of Ontario that are provided by Ontario Hydro? In the early days, setting up a dam and creating hydroelectric power was possible for many small companies to perform. However, as our non-renewable resources become more and more depleted, the need for a national energy petroleum corporation becomes that much greater.

Looking at some of the other important developments during the past four or five years, we see the Montreal oil pipeline of which the hon. member for Northumberland-Durham was not aware. I am told that during the last few weeks that pipeline has been putting through 340,000 barrels of oil a day, almost to its capacity. There are some blanks in the system in the United States portion of the line, so there has to be some rearrangement of supplies through the Chicago loop of that system. However, it is providing supplies to Montreal that we did not have in 1973 at the time of the oil embargo.

[Mr. Foster.]

Instead of importing 800,000 barrels of oil a day as we would be doing without that pipeline, we are importing something like 500,000 barrels a day and drawing down our offshore oil to around 30 per cent. The Conservatives would say that this pipeline should only be done on a private enterprise basis. But because it is not a money-making venture it has had some considerable subsidy. At the same time, it reduces our dependency on offshore oil and becomes absolutely crucial during the period when we have shortages internationally.

We have a commitment to the International Energy Agency that was set up a few years ago to share our reserves with western user countries. We have to meet those commitments at a time of shortage of oil supplies, such as we are now facing with the cutting off of Iranian oil.

The hon. member for Northumberland-Durham suggested that agreement was never considered by the House of Commons. If he had been serving on the Standing Committee on National Resources and Public Works at that time, he would be aware of the very extended amount of study that went into that program. He would know how it worked in terms of the trigger mechanism. He would know of our responsibility with regard to reserves, the kind of commitment we have to other countries, and that they have to us if there are serious shortfalls.

The chairman of the board and chief executive officer of PetroCan, Mr. William Hopper, who has done an excellent job in Petro-Canada was the key representative of Canada at those meetings in Paris of the International Energy Agency. He did a good job for Canada, and even chaired some of the committees at those agency meetings.

We have a bill before us tonight that will put us in the position where the governor in council can declare an emergency, allocate oil, and impose rationing if necessary. The minister has indicated that this bill will probably not be necessary, but we will have it in place should the need arise. It will give us the powers necessary to meet emergencies and to fulfil our international responsibility. I hope we will pass this bill and move it into the committee where it can be given detailed study.

● (2040)

The government has taken a large number of important steps to meet the long-term energy needs of this country, to reduce demand, to increase the supply of gas, to identify our uranium supply and to upgrade the transportation system. I refer the house to the oil pipeline to Montreal and the Alaska Highway natural gas pipeline. Legislation is in place with regard to the Alaska Highway natural gas pipeline, and things are moving ahead on that. This week there was the announcement of the agreement regarding the Maritime Energy Corporation. I remind the House of the new programs upon which Petro-Canada has embarked in the last year and a half.

I hope we will pass this bill quickly so that it can be studied in detail in the committee and so that it can take on the important responsibility which is waiting for it.