

Oral Questions

tell the House which minister has been placed in charge of an energy conservation program for federal departments and agencies, what authority has been given to that minister, and what machinery has been set up to carry through this program?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I indicated in a reply to the House three days ago, I think, this matter is very much before the government's mind. It has been discussed in cabinet. We have apportioned the responsibilities about which the Leader of the Opposition inquires among several ministers. They involve legal aspects which are being worked on, communications aspects which are being worked on and involve, of course, the Minister of Energy, Mines and Resources.

Mr. Stanfield: I gather from the Prime Minister's answer that nothing has been done yet except that the matter is being discussed within the federal government. In view of the concern expressed by the minister last night about the probability of some interruption in supplies of oil from the Middle East, has the Prime Minister set afoot any special diplomatic effort to deal with these threatened interruptions and to attempt to prevent their occurrence? Has the Prime Minister instructed any particular effort to be made or has he personally set afoot any effort on his own behalf?

Mr. Trudeau: Mr. Speaker, with regard to the assumption that preceded the question, I must inform the Leader of the Opposition that he is quite correct in saying that nothing has been done in the sense that no rationing has yet been imposed. However, when the Leader of the Opposition indicates that discussions are merely taking place I must say, of course, that this work is not just being talked about. I indicated that various ministers are involved in the kind of planning that it would be necessary to implement. The Leader of the Opposition is right; nothing has been announced that he may have missed.

To the second part of the question the answer is yes. Diplomatic initiatives have been taken. The Secretary of State for External Affairs has met with the various Arab ambassadors. He is, indeed, meeting today at the United Nations with certain important delegates from Arab countries, in order to ascertain their position on this and other matters.

Mr. Stanfield: Of course I look forward to the usual full and lucid exposition from the Secretary of State for External Affairs when he returns from the United Nations.

PRICE OF CANADIAN CRUDE OIL DELIVERED TO QUEBEC
AND ATLANTIC PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): My further supplementary question is directed to the Minister of Energy, Mines and Resources with regard to security of supplies in the Atlantic provinces and Quebec. May I ask the minister whether, in terms of the pricing policy of any Canadian crude delivered to the Quebec or Atlantic provinces markets, the minister intends to see to it that the price of that crude shall be the frozen price, the price fixed for Ontario and western Canada, or does he

[Mr. Stanfield.]

intend that any oil delivered to the Montreal market and the Atlantic provinces from Canadian sources should be at the same price as offshore oil coming into those areas, in order to provide some incentive to Canadian producers to do all they can to move oil into those areas?

• (1130)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, from contacts with the industry our feeling is that the industry does not require any incentive in this regard. They hope to move up to a level of about 55,000 barrels a day in the month of November and perhaps even to go above that if appropriate tanker arrangements can be made. With regard to the impact of Canadian source oil going into the Montreal market, we expect that to go into the cost base of the Montreal refiners in accordance with the discussions with the refiners on the basis of which we reached a conclusion of what their actual cost increase has been. We would expect this to help to offset any cost increases from abroad. Obviously the lower price will not offset any accrued prices coming from abroad in a substantial way because of the very much greater volume coming from overseas.

GOVERNMENT INTENTION RESPECTING ESTABLISHMENT
OF NATIONAL PETROLEUM CORPORATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. In view of the fact the minister's policy statement last night did not do anything to ensure either continuity of supply or price protection for consumers who live in eastern Canada, does the government have any intention of establishing a national petroleum corporation somewhat along the lines envisaged by the recommendation of his own department to the cabinet last April, or has this concept of a marketing mechanism been completely abandoned by the government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have to take exception to the hon. member's preamble. I remind him that the price protection consumers have in the eastern market is that the prices have only been increased by the amount of provable cost and that the prices there are still under that freeze, although on a different level from that west of the Ottawa Valley line. With regard to continuity of supply, the sheer fact is that unless there is a possibility of price increases to the refiners east of the Ottawa Valley line, there really will be a cutoff of supplies to the Canadian market. With regard to a national petroleum corporation, that concept is before the government. However, I do not see it as a solution to the interim problem which is a problem arising from the interruption of supply coming from the Arab world and, of course, the fact that there have been dramatic price increases by foreign governments in the very recent past.

Mr. Douglas: Does the minister's statement imply that the government is opposed to the principle of a national marketing mechanism which would purchase oil, both offshore and domestic, enter into a pooling arrangement