

Oral Questions

will not be self-sufficient in four years and will not have sufficient oil to put through the pipeline from Sarnia to Montreal. In view of this very serious situation, and the possibility that Canada may be heading into an energy crisis within a few years, I wish to ask the minister whether the government is taking any steps to phase out the exportation of oil to the United States which last year amounted to 1.2 million barrels a day?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I should say to the hon. gentleman that that is one of the questions to which the National Energy Board addresses itself. I can indicate to him that it would be my intention to make the report public tomorrow afternoon. Bearing in mind the fact that the recommendations in the report could have potential financial implications for the firms involved here, I think it should be done after the close of the last stock exchange in this country, about five p.m. I will be making arrangements through my colleague the hon. member for Algoma-Manitoulin to make sure that the hon. gentlemen, the hon. member for Qu'Appelle-Moose Mountain and the spokesman for the Ralliement des Creditistes receive copies in advance in the hope that we might have close co-operation in dealing with this tomorrow afternoon at five p.m.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that, as the minister says, the National Energy Board has the power to deal with this matter, and in view of the fact that its report was handed down last April and undoubtedly they had the statistics before that time—the minister shakes his head. Whatever time he received the report he has had it for several months. The National Energy Board has had the data. That was admitted before a committee of the House. The National Energy Board has had this data and information for months and the minister should have had it. I want to ask him why we have allocated 977,000 barrels a day for export to the United States for the month of November and 974,000 barrels a day for the month of December and why have these exports not been phased out? Why is the minister dragging his feet and why has the National Energy Board not acted in the face of this critical situation?

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I can correct the hon. gentleman. The Board report was received by me just at the beginning of this month. I transmitted it shortly thereafter to the two producing provinces in order to seek their approval in this regard. I think it is appropriate that we should consider the board report first within the framework of our relations with the two provinces. A dramatic reduction in exports from Canada to the United States would mean an abrupt drop in the revenue of the producing provinces, and this is a question upon which we thought it natural that we seek their views. We could, of course, have acted upon the report unilaterally but chose not to do so.

At the same time, we recognize the impact that a dramatic reduction of Canadian oil exports to the United States could have, particularly on the northern part of the United States, and we considered it sound within the maintenance of good relations with the United States that they should have an opportunity to react to the impact of

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

the report before the government made a final decision. As I said, this question has now been considered and we will be making a public statement on it tomorrow.

Mr. Speaker: A final supplementary by the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the minister's desire not to drastically reduce the revenue for the oil producing provinces, may I take it for granted that he proposes to persuade the Minister of Finance to withdraw some of the provisions of his budget? May I also ask him, in view of the statement he made a few moments ago that the government intends to undertake to persuade the Canadian people to alter their attitude with regard to the conservation of oil, whether he is prepared to begin with the government and persuade it to change its attitude and stop these large exports of oil?

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Well, the government certainly would intend to accord its own policies in the use of oil to those that it would be advocating for others. With regard to oil export, I think I would have to restate the previous response, that it is true from the standpoint of the consuming interest in Canada that it would be desirable at the earliest possible date to reduce exports from Canada to the United States. That is the position which, in general terms, I have been stating these many months while we have been waiting for the board's report. The actual fact of the matter is that I think before an action of this kind is taken, which could adversely affect our relations with the United States and indeed adversely affect revenues in the two producing provinces, it would be appropriate to have consultation. At this time, I can only say I find it rather surprising that the official opposition, which has had so much to say about consultation, should be opposed to this particular course of action.

NATIONAL ENERGY BOARD REPORT ON OIL RESERVES—
REASON FOR MINISTER'S STATEMENT ON ALBERTA'S
POSITION—POSSIBILITY OF CONSULTATION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, on the same subject, yesterday the hon. member for Crowfoot asked the minister whether he had received a reply from the provinces with regard to this report and the minister's answer was as follows:

Yes, Mr. Speaker, I had had a reply from the minister of mines and minerals of Alberta asking that the report be made public.

● (1450)

The minister for Alberta expressed no opinion with regard to the substance of it, and apparently any level of exports from Canada would be acceptable to him.

My question to the Minister, in view of the statement he made yesterday, is: what is the source of his information which permits the minister to make that statement of judgment?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the minister of mines and minerals sent me a telegram in response to my request that we have a response from Alberta, giving no substan-