

Energy Supplies

being inaccurate, but rather on the basis that I was not in order in making that kind of a statement.

I should like to comment on one aspect of the remarks of the hon. member for Dartmouth-Halifax East having to do with the difference between heavy and light crudes. He made a fair comment, a reasonable objection and expressed fair concern. I do not know whether it has been mentioned by the minister, but the dealings with Venezuela are in respect of light crude. I understand that as a government we are looking, along with the Mexicans and Venezuelans, at problems in respect of heavy crude, but certainly in terms of the Exxon loss and making up that loss we are talking in terms of light crude that we can handle in our refineries.

Perhaps I should leave the rest of my comments until third reading. At that point I would like to take exception to the announced policy of the Tory party to move an additional large quantity, perhaps 300,000 barrels, of crude to the east via a reinforced pipeline between Manitoba and Sarnia.

Let me conclude by saying that, as I understand reserve figures, at our present rate of 315,000 barrels a day we can sustain that movement until 1983, and that after 1983 there will be a decline. That being the case, this announced policy would have very little effect, particularly if we do not get a number of Syncrude plants in operation.

I can understand the policy in respect of Syncrude plants. I would like to deal with this in much more detail, but already we are, in effect, through tax breaks and so on, turning back about 50 per cent of the capital required for those projects without equity to the companies. This, plus the assistance of the Alberta government, may run back close to 75 per cent of the capital without equity.

● (1450)

I do not think that the Canadian public would like to see that kind of flow increased without equity. This is one of the reasons we need Petro-Can. However, I would like to deal with this in more detail at a later date.

Mr. Stanfield: Mr. Speaker, would the hon. member permit a question?

Mr. McRae: Yes.

Mr. Stanfield: Do I understand, Mr. Speaker, that the hon. member is opposing or, at least, expressing reservations about the east being served more adequately by the enlargement of the pipeline to Montreal and the east?

Mr. McRae: What I am saying is that in the long run, and I think that we are talking about the long run, I am concerned about the value of increasing that pipeline if it will only move 315,000 barrels per day until 1983, whereupon it will begin to decline. There does not seem to be much reason for increasing the flow through that pipeline.

I think that one of the things which we are going to have to do in the long run, since I am asked the question, is to start substituting gas, coal and other things for oil, which would

[Mr. McRae.]

mean perhaps that the Q and M pipeline and the Montreal-Quebec gas pipeline may be a much better answer than enlargement of the oil pipelines. Such substitution will eventually be necessary. The figures which were put out by the department in a document called "Our Energy Future" indicate very strongly that we are going to have to get from 46 per cent dependence on oil down to about a 30 per cent dependence within the next 22 years. That is a fairly short period and a fairly significant cut in the amount of oil.

For this reason I think that we have to question how much we should expand. I think that there is some expansion expected, in the area of about 50,000 barrels. If we expand, however, then we have to take the consequences of the system declining in the early part of the next decade.

Mr. Deputy Speaker: Is the hon. member asking a supplementary question?

Mr. Stanfield: Yes, Mr. Speaker. I would like to ask the hon. member whether he is expressing the views of the government and whether, when one analyses all the words he has used, he is not really expressing grave reservations about the wisdom of increasing the pipeline capacity for oil going east.

Mr. McRae: I think that in the long run this is one of the real problems we will face. Unless there are larger reserves found out west, unless we can develop more tar sand plants—and I do not think that it can be done by tax concessions; I think it has to be done by a company like Petro-Can—then I am just wondering if this is a feasible answer, certainly if there is no oil there. That is all I am saying. I am not expressing government policy. I am just asking the question that, if there is not enough oil in the west, what is the point of expanding the size of the line?

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I would like to put on record the position of the New Democratic Party with regard to motions Nos. 3, 4 and 6 of the hon. member for Peace River (Mr. Baldwin). As you know, Mr. Speaker, we support in principle the need for any federal government, no matter what its political stripe, to have the power to act effectively in terms of a national emergency pertaining to energy supply. We supported a similar bill back in 1974, and we support this bill before us today.

We have some reservations about parts of the bill. We have indicated that we support the Conservative motion No. 2 to remove the closure aspect allowing for only three days of debate once the government had decided that a crisis does exist. We feel that the government has at its disposal the normal provisions to impose closure and that the opposition would not act irresponsibly if a genuine crisis did in fact exist.

However, we cannot support the amendments standing in the name of the hon. member for Peace River because, in effect, what they do is, through the back door, subvert any active measures the government may take in dealing with an energy emergency. The bill provides, of course, that the government institute a mandatory allocation program, that this would be debated under the normal provisions and that it