

Oral Questions

normal supplies. Oil ration coupons and the oil shortage are nothing but a hoax.

The one objective is to get the Canadian population panicky and telling it to freeze slowly in the name of the international oil crisis. Instead of coming out with ration plans, the Creditistes would develop our natural resources for the benefit of the Canadian population and reveal the abundance of Canadian production. This wealth should be developed by the minister who should stop talking of shortages, stop lying as he has been doing, not himself but through his department's officials.

Mr. Speaker, those were the comments that I wished to make on the oil crisis which is only a blind, because it does not exist in Canada. It would not prevent us from transacting with the United States or any other country. But please, let us be frank with the Canadian people and let us tell them why we are really talking about shortages when there is abundance everywhere.

• (2020)

[English]

Mr. Speaker: My understanding of the special order passed by the House on Friday last is that the House is to proceed now to the 20-minute question period relating to the minister's statement.

ORAL QUESTION PERIOD

[English]

ENERGY

OIL—AMOUNT OF OIL IMPORTS TO EASTERN CANADA FROM ARAB COUNTRIES—EFFECT OF CUTBACK

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources, first of all for clarification. Can the minister tell me which is the correct statement, the one appearing in a publication, apparently from his office, dated November 9 in which it is said that 25 per cent of the oil supplies in eastern Canada are from Arab countries in the Middle East, or the statement in the minister's address of today which is that the Arab nations have until recently provided eastern Canada with 30 per cent of its crude oil supplies?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my understanding is that the 25 per cent is for the second quarter and the 30 per cent is the third quarter estimate.

Mr. Stanfield: I would like to get some information about the drop or the anticipated cutback of some 200,000 barrels of oil a day. I should like to ask the minister, what accounts for this cutback, assuming that the 25 per cent cutback in the oil we receive from Arab countries in eastern Canada accounts for 75,000 barrels a day? Is the additional cutback of 125,000 barrels made up from Arab sources of crude oil, or from other sources?

[Mr. Caouette (Témiscamingue).]

Mr. Macdonald (Rosedale): It will depend, I gather, upon the prorating terms in the existing contracts with other sources. I am advised that the 200,000 barrels a day is really the worst estimate of the situation, but it could be the result of the prorating involved on the basis of *force majeure* provisions in existing contracts being exercised by each of the supplying companies to the Canadian companies.

Mr. Stanfield: But for reasons of clarification, can the minister say whether we are receiving a reduction of two-thirds in the oil from Arab countries, or a reduction of 75,000 barrels a day from Arab countries, or thereabouts; the other part of the 125,000 barrels a day being cutback from other sources such as Venezuela, Iran and African countries other than Arab countries?

Mr. Macdonald (Rosedale): The figure of 75,000 is the current estimate of the degree of interruption. The 200,000, including the 75,000 is the estimate of the down side, if you like, if *force majeure* provisions are exercised in the other supply contracts to Canada.

Mr. Stanfield: From other countries?

Mr. Macdonald (Rosedale): Yes.

OIL SUPPLIES FOR EASTERN CANADA—GOVERNMENT POSITION IN ENFORCING ALLOCATION AS BETWEEN ESSENTIAL AND NON-ESSENTIAL INDUSTRIES

Mr. David Lewis (York South): Mr. Speaker, may I ask the minister some other questions. With regard to his program of allocation, is it his intention to order or otherwise persuade eastern refineries to concentrate on the production of home heating oil for use this winter in the eastern part of Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): In fact, that is the policy which has been followed by the refineries since midsummer. But we anticipate that as one of the powers that would be contained in the bill to reinforce what in effect has been the operating practice in any event.

Mr. Lewis: I would also ask the minister whether, instead of leaving it all for the time when he produces the bill, he could inform us if one of the criteria to be used for allocation to industrial users will be the question of jobs. Also, will there be any criteria to distinguish between essential and non-essential services including the matter of jobs.

Mr. Macdonald (Rosedale): The question of jobs will be foremost in the criteria, and naturally there will have to be some judgment exercised by the board—that is why it has been created—as to which criteria should be given priority, and which should not. Again, I will have to say that until the bill receives first reading I cannot respond very well.