

*Energy Supplies Emergency Act*

Plan bill, and I want that motion to be dealt with at length.

**Some hon. Members:** Oh, oh!

**Mr. Knowles (Winnipeg North Centre):** Mr. Speaker, unless I did not hear the minister correctly, I think he neglected to include in the last list he gave Canada Pension Plan bill No. 2. He knows that that was part of the package, and that it, too, would be given third reading without debate. I suggest to the President of the Privy Council that despite the reluctance of the hon. member for Crowfoot with regard to one of the less important bills, that he should regard the package of four or five bills as a pretty good deal. We shall go further than second reading with the National Parks bill. Indeed, all the bills could go all the way.

**Mr. MacEachen:** Mr. Speaker, I am prepared to reconsider the matter tomorrow.

**Mr. Speaker:** Obviously, we cannot proceed unless there is unanimous consent, so that there will not be an order of the House. Orders of the day.

● (1510)

## GOVERNMENT ORDERS

[*English*]

### ENERGY SUPPLIES EMERGENCY ACT

MEASURE TO PROVIDE FOR ALLOCATION BOARD,  
MANDATORY ALLOCATION OF SUPPLIES AND RATIONING  
OF CONTROLLED PRODUCTS

**Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources)** moved that Bill C-236, to provide a means to conserve the supplies of petroleum products within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada and to amend the National Energy Board Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

He said: Mr. Speaker, in introducing this bill on second reading, I refer the House back to the remarks I made on November 26 when I outlined some of the measures which the government and industry were undertaking to supply additional amounts of crude oil and products to eastern Canada. I discussed such things as the rapid increase of movement through the St. Lawrence Seaway, government purchases of products on world markets and the organization of transportation through the Trans Mountain pipeline system and Panama Canal.

At that time, I stated that even with these arrangements, we could not guarantee that oil, which had been lost to Ontario, Quebec and the Atlantic provinces through the production curtailments of Arab nations, could be completely replaced. I called upon the people of Canada, Canadian industries and manufacturers to enter wholeheartedly into voluntary programs to reduce the use of heating oils and motor gasolines. The response to that call

[Mr. Horner (Crowfoot).]

is now beginning to take effect. At the same time, I announced what the government was proposing to do to reduce its own requirements for these petroleum commodities. Those measures are now generally in use.

At the same time, Mr. Speaker, I announced it was the government's intention to introduce a program of mandatory allocation at the wholesale level. That has been done in the form of this bill which was given first reading Monday, December 3.

I think, Mr. Speaker, that it would be useful to put these recent events in better historical perspective. It will be recalled that in December 1972, the National Energy Board prepared an assessment of the crude oil situation in Canada. That assessment indicated the need for caution in respect of Canadian crude oil exports. Flowing out of that report, a program of crude oil export controls was put in place beginning March 1, 1973. At the same time, the government announced that the National Energy Board would be holding public hearings to inquire into the appropriate mechanisms which might be established in the future authorization of crude oil exports. Continued developments of shortages in the United States throughout the summer prompted the government to impose export controls successively on gasoline, middle distillates, heavy fuel oil and propane. Thus, even before the occurrence of the Middle East war and the subsequent oil production curtailments by Arab nations, the government had moved and moved decisively in protecting Canadian supplies.

As I have mentioned on other occasions, with the outbreak of hostilities in the Middle East, the government very quickly established a technical advisory committee on petroleum supply and demand. That committee, composed of senior representatives of oil companies and of the various departments of government, has continued to meet every week. It has established a number of sub-committees composed of specialists in the various aspects of petroleum supply and distribution.

The recommendations prepared by that committee have been undergoing continuous review and refinement. The picture which emerges indicates clearly the possibility of shortages of middle distillates and heavy oils in the Atlantic provinces, Quebec and to some extent in Ontario. There is also the possibility of local shortages of these products in British Columbia.

In spite of its efforts, the technical committee is unable to advise the government of the precise extent to which international crude oil deliveries to Canada will be reduced. However, the committee has recommended that the government plan for possible curtailment as great as 20 per cent for these areas which are dependent on overseas oil. The government has also been advised that the voluntary program will be unable to restrain demand to that percentage level. Industry has urged the government to put in place a mandatory allocation program as quickly as possible in order to avoid a chaotic situation and inequities that might develop if each company institutes an allocation program of its own when its own supply situation becomes serious. That, Mr. Speaker, is the intention of the bill now before the House.

The advisory committee has also suggested to the government that serious problems could begin to emerge when and if curtailments reach 20 per cent of normal