

ity, like all other regulations made by the board, will require the approval of the governor in council.

Part II of the bill relates to the rationing of controlled products. This part will be activated when the governor in council instructs the board to extend the mandatory allocation program if it appears that the supplies of a controlled product are, or are likely to be, so short as to cause the mandatory allocation plan to fail. A rationing program for motor gasoline has already been developed under the previous act and can be implemented within a lead time ranging from three months to six months.

One change we have made in the bill from the former Energy Supplies Emergency Act relates to this rationing program. This envisages the use of chartered banks, which have agreed to assist in the administration of the program by handling coupons and coupon accounts. The banks are enabled to take part in the scheme, despite any provisions in the Bank Act that may have prevented them from doing so. The post offices will be used for the primary distribution of coupons to the public.

Mr. Paproski: We will never get them.

Mr. Gillespie: The emphasis in any allocation program will be on practicality and simplicity in implementation. The Emergency Supplies Allocation Board will therefore have to seek the advice of oil companies. This may involve the companies in collective discussion of such advice to the board and in co-operative action. With this in view, special provision is made in the bill in case the companies are required—and I must emphasize the term “required”—to enter into agreements, arrangements or courses of action which might involve contravention of the Combines Investigation Act. The board may in those circumstances, by order, and only after consultation with the Minister of Consumer and Corporate Affairs, exempt an applicant and such other persons as it deems necessary from the provisions of the Combines Investigation Act, but only to the extent required to enable the applicant to comply with the allocation program.

The legislation empowers the board, in order to make better use of the available supplies of a controlled product, to make special regulations providing for a temporary relaxation of certain laws that currently restrict the emission of sulphur pollutants into the atmosphere. However, this would be done upon the issue of a short-term permit and only after consultation with the responsible ministers of the federal and provincial governments, for example, the departments of environment and health and welfare.

There are also provisions in the bill to enable the National Energy Board and the Canadian Transport Commission to co-operate with ESAB which will be co-ordinating programs in order to ensure that the petroleum products may be moved as directed by the board in order to relieve anticipated shortages.

Finally, this law will require the compulsory termination of a mandatory allocation program after 12 months, unless such a program is extended by the order of the governor in council with the approval of parliament. However, no such order may

Energy Supplies

extend the mandatory allocation program for longer than 12 months at a time. The bill requires that a motion to adopt an extension order be tabled in each House of Parliament within seven days after it has been made. If the House of Commons negatives the motion the allocation program shall thereupon terminate. We believe this is a better solution than the one that was worked out and included in the previous bill involving a sunset clause in which the whole legislation self-destructed in mid-1976.

● (2020)

I should like to say a word or two about federal-provincial industrial consultation which is a very important area. Allocation and rationing plans have been developed since 1974 by the original Energy Supplies Allocation Board and, since its demise, by officials of my department. These plans would form the basis of programs to be implemented by a recreated ESAB. They have been evolved as a result of extensive consultation with provincial governments, the petroleum industry and representatives of petroleum-consuming interests. I would expect this process of consultation to be continued by a new board. As I already indicated, membership of the board itself would reflect provincial, private consumer, and industrial interests. I am aware that allocation programs can only work effectively with broad public support. The board will, through consultation, seek such support and provincial co-operation.

Canada's energy needs are large in order to support our high standard of living, to deal with a cold climate, and to provide the transportation links across our broad land.

Canada's energy potential is great, and this government has worked long and hard to realize that potential. Let me give a few examples of this. The oil sands development is being encouraged by the payment of international prices for this product; by appropriate fiscal terms; and by direct participation in the Syncrude project where the federal government has a significant equity holding. Other important initiatives of the government include oil and gas exploration fostered by our pricing policies and by tax reliefs which specially assist pioneer efforts in frontier areas such as the Beaufort Sea.

The Canada-United States gas pipeline treaty opens the way for pipeline access to already discovered reserves in the McKenzie Delta. Petro-Canada, the *bête noire* of the Leader of the Opposition (Mr. Clark), the major policy instrument in Canadian participation and government participation in industry, has become in three short years a major force in our petroleum industry, providing a stimulus to exploration, and participating in schemes for the expansion of eastern Canadian gas markets. I am referring to the gas pipeline which would move natural gas all the way to the maritimes, the bold plan to bring Arctic Islands gas to eastern Canada, liquefied natural gas from the high Arctic, using the Canadian system, and working to develop the heavy oils of western Canada.

The attitude of the Leader of the Opposition with respect to Petro-Canada was recycled last Friday, I believe, in Vancouver, when he said once again that he would dismantle Petro-Canada.