

Energy

remarks made by the hon. gentleman could not have been more similar to those of spokesmen for the oil industry in western Canada—rather as if the two of them had had the same writers. For example, I refer to a report from the Canadian Press in Calgary quoting Mr. Arne Nielsen, an oilman very able in the exploration field, who said:

The proposed national petroleum corporation is unlikely to succeed in oil and gas exploration off the east coast or other areas of Canada.

Why is that so? Why must it necessarily fail? What evidence is there that national petroleum corporations are less successful?

Mr. Yewchuk: Mostly because you will be running it.

Mr. Macdonald (Rosedale): The hon. member for Athabasca (Mr. Yewchuk) might know something about operations in this field. He might know that the French government has been operating in the province of Alberta through its creation, ERAP, through the Canadian company, Aquitaine, and has been one of the most successful searchers for natural gas in that province.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): The hon. gentleman may know that the British Petroleum Corporation, which is 50 per cent owned by the British government, has had similar success, not only in Canada but elsewhere in the world. Indeed, one of the spokesmen of the Canadian oil industry—he should have known better because he was a former employee of the French company—was at the big find off the coast of Labrador. The EastCan find involved as participants the second of the French nationally owned companies, The Compagnie Française de Pétrole, through its subsidiary Total, and the Italian national oil company through another of its subsidiaries. I would say the position taken by the industry and by the Leader of the Opposition that this is going to be a discouragement to private operations in Canada—

● (1700)

Mr. Stanfield: It depends on the conditions.

Mr. Macdonald (Rosedale): The hon. gentleman says that this would discourage private planning. Why is it, Mr. Speaker, by the lights of these gentlemen, that foreign governments through their national petroleum companies can operate in Canada, but Canadians themselves should not be able to carry out the same operations?

Some hon. Members: Hear, hear!

Mr. Paproski: It is because you never had the initiative to go ahead and do it. That is the whole bloody problem.

The Acting Speaker (Mr. Boulanger): Is the hon. member for Calgary South (Mr. Bawden) rising on a point of order?

Mr. Bawden: Would the minister permit a question?

Mr. Macdonald (Rosedale): Mr. Speaker, I would be delighted to permit a question at the end of my remarks. The substantial point made in the Prime Minister's speech on Thursday last was above all the objective, as a matter

[Mr. Macdonald (Rosedale).]

of national policy, to develop a greater reliance by the Canadian community generally on domestically produced sources of oil. And in the eight to ten years to come, as these various changes are made in our policy, it will be of the utmost importance to guide the energy policy of the country in such a way as to make sure that that objective can be met.

I think there would be general agreement in Canada not only that the Canadian economy should rely on domestically produced sources for this purpose but that we should not again be put in the situation, so far as we can avoid it, of relying on foreign sources which could be subject to interruption for political reasons. Indeed, the process is already under way to bring about a change in this particular policy. In the province of Ontario, for example, where hitherto a significant proportion of our home heating oil market relied on imported production from overseas, there are now refinery facilities under construction which, within a period of several years, will enable the refining industry in the province, dependent on western Canadian feed stock, to handle the demand of all our home heating oil market in Ontario.

We have proceeded to hold discussions with the province of Quebec and also with the Interprovincial Pipe Line Company on the commencement, within a short period of time, of an extension of the Interprovincial pipeline either by way of Sault Ste. Marie or from Sarnia in order to provide some part of the feed stock for the Montreal refineries from Canadian sources.

We have talked about the possibility of building into that line not only some part of the feed stock from Canadian sources but also a greater capacity so that in emergency circumstances, such as we have at the present time, we would be in a position to deliver larger supplies of Canadian produced oil not only into the Montreal market, but with the possibility of reversibility through the Portland Pipeline of being able to deliver some of that oil to the Atlantic coast as well.

We are in the process of seeing what at one time was stated to be impossible by some of the operators in the business, namely, the substantial shipment of oil through Trans Mountain pipeline and by way of the port of Vancouver through the Panama Canal to east coast ports, and by gradual displacement, because of the Alyeska pipeline, of Canadian crude oil from the Puget Sound market, there should be a greater capability for Canadian oil to meet the demands of the Atlantic coast market in time of emergency.

One of the major questions raised with regard to greater reliance on Canadian sources has been that of the ambitions of at least three of the eastern provinces, Quebec, New Brunswick and Nova Scotia, to develop superport facilities and then, by means of large pipeline systems, to bring oil from the Atlantic coast into the Montreal refinery market. There are really two ways to look at this question.

The first is that from the standpoint of security of supply such a proposal could result not only in enhancing the degree of reliance on offshore oil but, in some circumstances at least, it could lead to greater insecurity of supply. However, there is an advantage to it in the sense that with the very large crude carriers, and the economies