

Energy Supplies

gency Act, 1979. As most members who have been involved in the energy scene since 1973-74 know, this will be a new allocation bill to replace Bill C-236, which was in force from 1974 to 1976 and which set up the Energy Supplies Allocation Board. In the Standing Committee on National Resources and Public Works we have had many opportunities to call members of the Board to give testimony about the preparation of the energy allocation program. A great deal of work has been done but, due to the fact that the bill contained a sunset clause, it is no longer operative and so a new one had to be introduced. I do not think anyone would question the need for such a bill with the prospect of the loss of a substantial proportion of oil from Iran. I congratulate the minister for bringing in the bill.

In his speech last night the hon. member for Northumberland-Durham (Mr. Lawrence) harangued the Minister of Energy, Mines and Resources (Mr. Gillespie) for not recognizing the seriousness of the energy situation in view of the political instability of Iran. During question period on February 15, he accused the minister of doing a flip-flop and so on. If we look at the chronology of events, however, and the questions put in the House during those days, we will see that several members on the government side put questions to the minister, who responded in some detail about the seriousness of the situation.

On February 5 the hon. member for Assiniboia (Mr. Goodale) asked the minister whether a rationing system was being considered as was reported to be the case in the United States, and whether Canada was prepared to cope with shortages of petroleum. The minister's reply appeared at page 2874 in *Hansard*, as follows:

Mr. Speaker, the situation is serious. It is by no means a panic situation at the present time, but it is serious. We may well be facing reductions in supply in the coming months. At the present time, the situation is still manageable.

The next day I put a question to the minister. The leader of the Opposition (Mr. Clark) had just returned from his globe-girdling trip, when he offered energy supplies to Japan and to Israel. I asked the minister if the National Energy Board had advised the Leader of the Opposition that supplies would be surplus in Canada. It was obvious that the Leader of the Opposition, when he was tripping around the world offering energy supplies to other countries, was not aware of any shortage in Canada. I think that goes for the knowledge of the hon. member for Northumberland-Durham as well. He did not get around to asking many questions until February 8, some days after questions had been put by members on the government side.

In his speech last night the hon. member for Northumberland-Durham complained that nothing had been done in the years between 1974 and 1979. Of course that begs the question of what was done. If we start to talk about the things that were done through the particular government policy that seems to upset the official opposition, PetroCan, it becomes obvious that a great deal has been done. It has carried out exploration in the Arctic Islands, often in co-operation with private oil companies. It has used its leverage to get other companies in

[Mr. Foster.]

the private sector involved in the High Arctic Islands where the chances of return on investment in the short run are not very great. PetroCan, in co-operation with AGTL, has proposed a pipeline company to bring natural gas to Quebec and the maritimes from the western provinces. When this line is constructed it will back out many millions of barrels of offshore petroleum.

Through the acquisition of Pacific Petroleum Ltd., our national company will be in a position to exploit and develop the oil and gas reserves of the country. As a result of activities in the High Arctic PetroCan has an application before the National Energy Board for gas liquefaction and a tanker program that will bring gas from the PanArctic exploration activity in the High Arctic to east coast ports. A substantial part of the exploration off the east coast is also being carried out by PetroCan.

During the next election campaign, Mr. Speaker, I think a great many eastern members of the Conservative party will be very embarrassed by the official position of that party. Last night the hon. member for Northumberland-Durham asked what was being done about the great potential that exists off the east coast. He must have been amazed this morning to read an article on the front page of the Business Section of the *Globe and Mail* in which the minister of energy for Newfoundland, Brian Peckford, describes the important role of PetroCan. The article begins:

Petro-Canada, the federal energy corporation, has become a major partner in Eastcan Group of France and will take over as the operator of the consortium's offshore exploration program in 1980, according to Newfoundland Energy Minister Brian Peckford.

It is interesting that the Conservative minister of energy for Newfoundland is proudly proclaiming what PetroCan is going to do in the offshore areas of Labrador and Newfoundland. He went on to explain that \$120 million will be spent over the next two years. This is one Conservative who does not ride with the federal branch of the party.

I think that most members of the Conservative caucus from eastern Canada are going to be embarrassed by the kind of opposition to Petro-Canada by their colleagues, especially those from Alberta. They know in eastern Canada, where so many activities are taking place relating to energy supply, whether we are talking about the Quebec and maritime pipeline or the gas liquefaction program from the High Arctic Islands, or whether we are talking about exploration in the Arctic Islands or the east coast offshore drilling, that all these projects are taking place through the activities of Petro-Canada and with revenues generated from Pacific Petroleum so that demand on the federal taxpayer will be reduced to an absolute minimum.

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If we look at the conservative policy on oil prices, it is a very interesting task to try to define exactly what that policy is. Perhaps it could be generally described as being whatever Bill Davis and Peter Lougheed want. For example, let us examine what happened at the first ministers' meeting in November and December where a price increase of \$1 per barrel was