

Natural Gas Supplies

Energy Board agrees. They say we must give them financial incentives, and we must give them lower royalty rates. In other words, having got us into this mess it is now up to the public treasury to pay them to help get us out of the mess.

The second thing I fear is that these forecasts are designed to stampede this government and the country into approving the Mackenzie Valley pipeline. Apart from the environmental arguments and the matter of native claims, the economics are also open to question. The best estimate by CPA is that the proven reserves in the Mackenzie delta are 4.8 trillion cubic feet. When I asked the National Energy Board, during the committee hearings, what their estimate was, we were told it was 4.5 trillion cubic feet. This is in respect of a pipeline the economic viability of which depends on having 12 trillion cubic feet to 15 trillion cubic feet. To build a pipeline at a cost of between \$6 billion and \$8 billion, when we have less than 5 trillion cubic feet of gas, less than one-third of what is required, would be to compound the errors we have committed in the past.

I hope the minister will agree to send this report to the Standing Committee on National Resources and Public Works. I hope he will agree, also, that the National Energy Board and the government will not grant a permit for the construction of the Mackenzie Valley pipeline until the committee of the House has completed its studies and its report for the consideration of the House.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, according to the report delivered to us and the comments of the minister about it, it is quite obvious that it is necessary—or I must do on behalf of my party—to point out that the government, which is unwilling to carry out logical and reasonable economic policies, leads us to ambiguous situations such as that one. Thus the sale and export of a natural resource such as natural gas is authorized, but no attention has been given to the basic principle which merely provides that we should endeavour first to produce to meet our domestic needs. If our production sufficiently exceed our own needs, we should only then consider exporting it.

Mr. Speaker, that principle holds in all ambiguous conditions. Each time the administration of the country is based on external trade, on our balance of trade with others, we err on a basic tenet. And that is why we come with such things. With a government that must prevent and, therefore, forecast all eventualities, all potentialities, such situations would not occur. Just a few days ago, a few weeks at most, I asked in the House, in a motion under S.O. 43, that a real inventory of all Canadian energy potential be made. At that time, I specifically referred to oil.

Mr. Speaker, we are again acting in an unconsidered manner with oil, just as we did with natural gas, since we know that some regions of Canada have no such resources and need some, while other areas or Canadian provinces export what those regions need. Furthermore, when there is every likelihood of a shortage, Mr. Speaker, it is a nonsense. You must call a spade a spade.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Of course I agree with the government that we must put an end to those stupid exports, and that we should start, for domestic trade purposes, organizing trade relationships within Canada, so that regions which do not have such energy resources can obtain them from other regions. The role of the federal government would actually be to foster that kind of interprovincial organization, to urge them to reach some forms of agreements and even agree to a certain extent to a form of free trade for the purposes of the economic and industrial needs of our country. That is a kind of policy which makes sense. If after that we have surpluses and do not know what to do with them, if we know that our oil and natural gas supplies will last for millions of years, then we shall let others benefit from them. That is a plain commonsense policy.

I therefore urge the minister to cut short those exports as soon as possible. We cannot afford such extravagance with a non-renewable product. Therefore, Mr. Speaker, the only thing to do is to stop those exports. To do something positive, we should get organized within Canada for the benefit of Canadian consumers, we should let them take advantage—in a reasonable way of course and barring any form of waste—of all the plentiful resources of Canada which should be put to good use. Mr. Speaker, that will require at some time in the future, as I said earlier, a change in the economic policy of Canada; and we shall have to stop managing our resources for the purposes of exports and of our foreign trade. We should first think of getting organized within Canada and then consider possible forms of help to or agreements with other nations.

● (1530)

[*English*]

Mr. Bawden: Mr. Speaker, I should like to ask the minister a question. Can the minister explain just what is the plan for allocating exports—in other words, what Canadians will be cut back—and in view of his estimates, what is to be the cutback to the American users? Will these reductions in supply be prorated on an equal basis between Canadian and American users?

Mr. Macdonald (Rosedale): Mr. Speaker, let me answer the last question first. My answer, in general terms, is no. We anticipate that the cutbacks—this is indicated in the report of the board—will be in certain uses of natural gas in Canada. The user we are talking about here is the utility and industrial user who has an alternative and can, for example, shift to coal as a heating source as opposed to natural gas. This will have to be a matter of consultation with the provinces affected, particularly with the utilities in those provinces. But it would not occur with regard to the present household user of gas. Of course, it could have an impact on industrial users who have the capacity to shift to other energy sources. As to the actual amounts, the board, of course, will have to calculate them after discussions with the affected provinces on the allocation, and after the estimates for the coming winter.

Mr. Bawden: I would like to hear the minister's response to the other part of my question, which was whether cutbacks would be shared equally by Canadians and Americans. The supplementary question I wanted to pose to him, also, is whether the minister has considered