

Oil and Gas

Mr. Douglas: I have a brief question for the minister, Mr. Speaker. He has dealt mainly with the possible curtailment of supplies of oil from the Middle East, upon which we have depended for about 25 per cent of our imports. He said nothing about security of supply from Venezuela, upon which we depend for about 60 per cent of our imports. Has the minister had any consultation with Exxon, or the government of Venezuela which would indicate that the amount of oil which we usually import from Venezuela will be available this coming winter?

Mr. Macdonald (Rosedale): Mr. Speaker, I have discussed this question with the government of Venezuela. They expressed it as their position that all existing contracts should be honoured in their terms, which in specific terms means that the producing companies in that country would be expected to make the deliveries that they have contracted, wherever that may be, and particularly to Canada. From that government's standpoint it is their intention to see that their contracts are honoured.

It is difficult to nail down the question of whether there would be intervention of the companies, but—I have said it before and I will say it again—we would expect that the companies, Imperial, Shell Canada and Gulf would continue to honour their contracts and their obligations to the Canadian market. In the case of companies like Imperial and Texaco, they control the acquisition and overseas shipment of their particular supplies. They have made this point to us, and we intend to hold them to their obligations to meet the Canadian market.

One aspect has come up, although it has not been confirmed, and that is that Venezuela has in contemplation the possibility of taking their royalty in crude rather than in terms of cash payments. We have a mission in Venezuela which is active at the moment in pursuing that. At the moment we do not anticipate interruptions in our Venezuelan supply, although they will bear careful watching as time goes on.

Mr. Stackhouse: In light of the minister's stress on the hypothetical nature of his rationing proposals, and in light of the rumours in Toronto at the weekend that arrangements for printing of ration coupons, and so on, have been made, would the minister inform the House if any such arrangements have been made?

Mr. Macdonald (Rosedale): Mr. Speaker, I cannot specifically say if they have been made or not, as this falls within the responsibility of the Minister of Supply and Services (Mr. Goyer). However, I think it would be a wise precaution, in view of the fact that it would take some time to prepare this particular system, to take all steps to put it in place just as soon as it would be needed.

Mr. Oberle: Mr. Speaker, in light of the export tax on crude oil to the United States, and in light of the drastic measures taken by Westcoast Transmission of British Columbia to curtail some of the commitments to the United States, what steps has the minister taken to assure supplies of home heating fuels to consumers in British Columbia this winter, in particular since they have just finished facing a crisis with natural gas?

Mr. Macdonald (Rosedale): Mr. Speaker, the British Columbia market is one that will bear careful watching in this regard. We will look at the possibility of increasing the throughput of the Transmission pipeline in order to ensure additional supplies of home heating oil to British Columbia. We anticipate co-operation by both suppliers and users on that line, but there may be a need to supplement present supplies and this is one of the circumstances under consideration now.

Mr. Oberle: Does the minister expect there to be a cut-off of supplies from offshore suppliers of that commodity?

Mr. Macdonald (Rosedale): Of home heating oil?

Mr. Oberle: Yes.

Mr. Macdonald (Rosedale): I believe the inventories have been down, and very probably for the commercial reasons that they have been down in eastern Canada. In the case of the British Columbia market there is the advantage of a direct pipeline connection to refinery capacity and it is believed that arrangements to supply can be made, but it is a situation that bears careful watching.

Mr. Lundrigan: Mr. Speaker, the minister indicated that he has had some consultation with the Ontario government and plans next week to discuss the matter with the Premier of New Brunswick—

Mr. Macdonald (Rosedale): This week.

Mr. Lundrigan:—this week, and some time in the future with the premiers of the other Atlantic provinces. Is he telling the House that he has not to date, bearing in mind the almost imminent problem facing the eastern part of Canada and the Atlantic provinces with respect to supply, apprised the other premiers of the circumstances with respect to supply, or even his officials? I hope he can say that his officials have made detailed indications to the Atlantic premiers on the matter of supply.

Mr. Macdonald (Rosedale): Mr. Speaker, I would remind the hon. gentleman that there has been no supply interruption as yet. It seems appropriate, in anticipation of a decision by the Arab states, to have such a meeting. Initiative has been taken to see if we can arrange a meeting with either the premiers or the responsible ministers for the purpose of apprising them of the facts of the situation and of the kind of measures which we have in contemplation.

Mr. Lundrigan: Is the minister saying, for the public record, that he has not taken the premiers of the Atlantic provinces into his confidence? He has stood here tonight and told us about the possibility of rationing and about turning thermostats down. Is he saying that he has not told the men who are responsible for over two million Canadians that there will be a supply interruption or a rationing problem?

Mr. Macdonald (Rosedale): As I said, Mr. Speaker, and I will repeat it again for the hon. member, the interruption is potential only. I think it is advisable that we should