

Oral Questions

well. The critical question is to assure security of supply in the period between now and 1985 when we anticipate being back in a surplus position.

GOAL OF GOVERNMENT IN REDUCING CONSUMPTION OF OIL

Hon. Robert L. Stanfield (Leader of the Opposition): I would think the minister would know the figures, at least for the year 1975, and whether the government is prepared to accept the balance of payments problems in light of the rather picayune conservation policy announced very late in the day by the minister last night. Looking ahead to 1980 and the shortfall anticipated there—which will not be made any better by the recent news about the tar sands—and the possibility of shortfall of about one million barrels a day by 1985, has the minister established a goal for the amount by which he would cut consumption by 1980 through his conservation program? Can he give us a figure on what his goal is for cutting back consumption in light of the very difficult situation that seems to be ahead?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I do not think that I can give a specific goal on that because it depends to a great extent on the co-operation of the other levels of government, of industry and individual Canadians. I did indicate last night the kind of figures we can anticipate if the program is generally supported by Canadians—for example, that the reduction of the increase in demand by one per cent per year could save the equivalent of 12 tar sands plants by 1990.

SHORTFALL IN PRODUCTION OF PETROLEUM PRODUCTS—
GOVERNMENT MEASURES TO OVERCOME

Hon. Robert L. Stanfield (Leader of the Opposition): A further supplementary, Mr. Speaker. I want to ask the minister in all seriousness, with the information given us by an authoritative body pointing to a very serious shortfall in production of petroleum products, oil in particular, by 1980 in relation to demand, what is his policy with regard to meeting this? If he is not prepared to give us a forecast as to how much he will cut back on the consumption side in precise terms, can he tell us today or in the very near future what measures he proposes to adopt to save this country from facing catastrophe by 1980 or the early 1980's?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in the past we have announced a range of measures of which the hon. gentleman, if he is serious about the question, should be aware. This week's decision to participate in the Syncrude plant is one indication that we feel a technology should be fully developed to reach the 22 billion barrels of oil that are involved in the mineable oil sands. For this purpose, we are prepared to back the development of that technology in the Syncrude plant by the investment of \$300 million as well as by other policy indications to that plant. As some exploration success has been indicated so far this winter, there is a real prospect for the development of additional hydrocarbon resources in the Mackenzie Delta and, ultimately, in the Beaufort Sea. We are taking measures with

[Mr. Macdonald (Rosedale).]

the industry in order to permit that exploration program to go ahead, and I think results have been encouraging up to this point.

● (1150)

The Prime Minister indicated in his statement that, subject to meeting the criteria of the concerns of the native people, environmental concerns and also the impact on Canada's general economy, we would look to completion at an early date of the Mackenzie Valley natural gas pipeline. We have under active consideration with American officials now the question of whether there is a possibility of developing an oil pipeline as well, to link the resources from United States sources in Alaska with those now being developed in the Mackenzie Valley.

I do not think any responsible person at this point could give a firm and final prediction as to whether, as the National Energy Board indicated, it is possible that by 1985 we will move back to a surplus position; however, we think that the collection of all these measures provides an assurance that the Canadian hydrocarbon reserves as opposed to potential—the potential is obviously enormous—can be identified and harnessed within this time frame. It is that kind of policy which, as I have said many times in this House and before committee, the government has committed itself to, in order to develop the hydrocarbon potential of Canada.

FREQUENCY WITH WHICH FUTURE TAR SANDS PLANTS WILL
COME ON STREAM—DATE OF PUBLICATION OF LAND USE
REGULATIONS FOR FEDERAL LANDS

Mr. Harvie Andre (Calgary South): Mr. Speaker, may I direct a supplementary question to the Minister of Energy, Mines and Resources. The minister just indicated that the government is counting on other tar sands plants as well as conventional oil and gas from the high Arctic to supply Canada's future needs. May I ask the minister a two-part question. First, will he indicate at what frequency he anticipates future tar sands plants will come on stream. Also, will he say when he will be producing land use regulations and royalty structures for land under federal jurisdiction which were withdrawn in April, 1970 and promised "within a few months" almost five years ago, the lack of which is now deterring companies from exploring in that area and producing the oil and gas which he acknowledges we need but the finding of which he is not encouraging.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman may not have followed the situation very closely but there is an active exploration program under way both off-shore and in the Canadian Arctic and, indeed, this winter we have been encouraged by some substantial finds within the federal territories. So, the conclusion stated by the hon. gentleman is obviously erroneous.

With regard to the mineable oil sands development we have, as you know, provided assurances this week that the momentum which has already been commenced in that regard will continue.