

concerning the Senate estimates for the fiscal year 1990-91. I ask that the report be printed as an appendix to the *Minutes of the Proceedings of the Senate* and to the *Debates of the Senate* of this day and that it form part of the permanent record of this house.

The Hon. the Speaker: Is it agreed, honourable senators?

Motion agreed to.

(For text of report, see appendix, p. 1077)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

On motion of Senator LeBlanc, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

ENERGY AND NATURAL RESOURCES

SIXTH REPORT OF COMMITTEE PRESENTED

Hon. Dan Hays, chairman of the Standing Senate Committee on Energy and Natural Resources, presented the following report:

Tuesday, January 30, 1990

The Standing Senate Committee on Energy and Natural Resources has the honour to present its

SIXTH REPORT

Your Committee, to which was referred the Bill C-4, An Act to amend the Energy Supplies Emergency Act and to amend the Access to Information Act in consequence thereof, has, in obedience to the Order of Reference of Wednesday, December 20, 1989, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

DANIEL HAYS
Chairman

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Efstathios William Barootes: Honourable senators, with leave of the Senate and notwithstanding rule 45(1)(b), I move that the bill be read the third time now.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

Hon. C. William Doody (Deputy Leader of the Government): Honourable senators, perhaps I could just offer a word of explanation, since I think our friends opposite did not catch the full drift.

This is the report of the committee on Bill C-4, to amend the Energy Supplies Emergency Act and other acts. Leave was asked for third reading now and it was granted. It was granted

because, of course, there is Royal Assent later this afternoon, and, rather than hold up the bill, Senator Hays, I understand, now wishes to speak to it.

Hon. Royce Frith (Deputy Leader of the Opposition): I am sorry, but someone else was speaking to me at the same time.

Senator Doody: I realized that and that is why I decided to go through the matter again.

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, while the Deputy Leader of the Government is referring to Royal Assent, I should like to ask whether it is true, as was reported widely in this chamber yesterday, that a new policy will be put into effect and that the new Governor General will attend for Royal Assent today.

Senator Doody: I am told by my colleague and leader that the rumour is not without foundation; the Governor General intends to attend at least one Royal Assent during his term of office. However, whether he will attend more than one, at this point I would not care to speculate.

Hon. Dan Hays: Honourable senators, I should like to make a few observations on third reading of this bill. The only witnesses the committee heard were witnesses from the Department of Energy, Mines and Resources. The principal witness was a Mr. Honarvar, who is the Director of Energy, Emergency Planning in the Department of Energy, Mines and Resources. The bill was of interest to the committee not only because of changes proposed in the legislation but also because it afforded an opportunity to meet with the department and discuss the issue of the agreement under the International Energy Agency and how that might work in a time of emergency. I would like to share with honourable senators some observations.

● (1410)

The oil sharing arrangement under the International Energy Agency has never been implemented during an actual disruption. It is periodically tested in the various IEA member countries under the supervision of the agency, but generally the public is not even aware that these tests are going on.

At the time of the Iranian revolution in 1979 the disruption in oil supply to the IEA countries did exceed the 7 per cent shortfall that is supposed to trigger the oil sharing agreement. At that time Iran's crude oil production fell from 1.9 billion barrels over the year 1979 to .6 billion barrels in total in 1980. The decline was 1.3 billion barrels.

Considering that non-Communist oil production in 1980 was about 16.6 billion barrels, that 1.3 billion barrel decline was about 8 per cent of non-Communist output. However, the oil sharing agreement was not implemented because other Middle East producers said that they would lift more oil to help offset Iran's lost output.

Mr. Hossain Honarvar, the principal witness before the committee, referred in his testimony to this. Oil industry statistics reveal that Saudia Arabia, Iraq and Kuwait all boosted oil production substantially in 1979. Together those three countries, in 1979, produced an additional billion barrels