

*Oral Questions*

**Hon. Marc Lalonde (Minister of Energy, Mines and Resources):** Madam Speaker, I have indicated that two governments had to be involved in this matter, the government of Alberta and the Government of Canada, that we were ready and willing to undertake additional discussions with the government of Alberta in this particular regard, that the net returns to the industry had to do not only with the price of oil but also with the taxation and the royalties imposed on those companies by Alberta, as well as the taxes raised by the national government.

We indicated last year that we were ready also to make a deal with Alberta so that the tar sands projects could be proceeded with on their own without having to wait for a comprehensive agreement with the government of Alberta. Unfortunately, the government of Alberta has refused this offer and has decided that it wanted to hold those projects as a kind of ransom for a comprehensive deal. That is its decision. We have to carry on those discussions, and we are available.

**Mr. Hnatyshyn:** Madam Speaker, the same association has requested that, owing to the critical importance of oil supply, on which I think the minister agrees, and the devastating effect which the National Energy Program is having on future supplies, the National Energy Board submit as soon as possible an interim report on oil supply. Is the minister prepared to advise the board to meet this request, or does the minister consider it to be in his interest to delay the production of such a report?

**Mr. Lalonde:** Madam Speaker, the hearings by the National Energy Board are concluded. I am sure the National Energy Board is reviewing the evidence submitted to it and will be preparing its report. When the board is ready to submit its report, it will be made public. That is a decision for them to take.

So far as the so-called devastating effect of NEP is concerned, I want to refer the hon. member to a report by the Alberta Energy Conservation Board which has stated quite clearly that the devastating effects on energy supply in the 1980s were going to come mainly out of the decisions of the government of Alberta rather than from the NEP. The board stated that while the NEP might have a negative effect of about 50,000 barrels a day, the current decisions by the government of Alberta would have a negative effect of around 300,000 barrels a day, if I remember well. That is also a report which my hon. friend might want to examine.

## DISCUSSIONS BETWEEN FEDERAL AND PROVINCIAL GOVERNMENTS

**Hon. Ray Hnatyshyn (Saskatoon West):** Madam Speaker, I do not know which comes first here, the cart or the horse. The minister must understand that his policies will have very serious consequences on the policies of producing provinces.

This brings me to my final supplementary question regarding the absolute necessity of having some kind of an agreement between the producing provinces and the federal government.

The lack of it is deterring activity and causing great apprehension. Rigs are leaving the country, owing to the fact that the NEP, announced on October 28, was simply the kiss of death. The indecision has caused a movement of rigs out of our country ever since the government took office. I want to ask the minister what initiatives he is taking to reconvene discussions with the producing provinces so that we can move forward together, or is he prepared to sit back and wait for someone else to take the initiative?

**Hon. Marc Lalonde (Minister of Energy, Mines and Resources):** Madam Speaker, I quite agree with the hon. member on the necessity of having an agreement with the producing provinces. I know that he has spent many months of fruitless efforts in trying to arrive at an agreement which, unfortunately, he did not succeed in getting when he was in office. Unfortunately, we have not been more successful up to now, but I hope we will. I have already met with my counterpart from Saskatchewan with whom I have had a very good discussion and a fruitful meeting. There have also been discussions at the official level with Saskatchewan officials. Unfortunately I have not been able to arrange a meeting with my counterpart from Alberta.

● (1420)

The government of Alberta indicated publicly and repeatedly that it wanted discussions to be carried on at the level of officials for a while. The last indication I had was from a statement by a senior official of Alberta saying that they would not be ready to report to their government before mid-March, and that they did not think there would be any opportunity for serious or extensive negotiations to commence before then. I find this regrettable but, again, our officials are available, I am available, and the Government of Canada remains available for resumption of discussions with the government of Alberta as soon as that government is ready for such discussions.

## ADVICE GIVEN BY MINISTER'S OFFICIALS

**Mr. Jim Hawkes (Calgary West):** Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Those of us who live in western Canada and are familiar with the industry have considerable concern about the supply situation. The minister brought up the issue of his officials. He said that they were willing to talk. Recently *The Globe and Mail* reported that the minister's officials, before a gathering of engineers and geologists in Alberta, said that 22,000 wells would have to be drilled in western Canada to find a four or five-year supply of oil. Also they said that in the north this would take 75 wells.

**Some hon. Members:** Question.

**Mr. Hawkes:** Is that the kind of advice he is receiving from his officials, and does he believe that kind of advice?