

However, there was ample evidence given the board that deliverability from conventional reserves is declining.

That is a matter for considerable concern, and I understand that in the discussions in the first ministers' conference the Minister of Energy, Mines and Resources expressed his concern. I would ask the minister if some time in our discussions he can give us an assurance that this report on the availability of natural gas supplies will be made available to members of the House at an early date. The minister has already stated that the work of the board has been completed. How soon the board will be prepared to release the report, I do not know. I want to ask the minister if he can tell us how soon he expects it to be released, and if we will get copies at the earliest possible date, because I find it increasingly difficult to reconcile some of the estimates made by the National Energy Board with respect to marketable reserves of oil and gas.

For instance, in March of 1973 the joint venture of Dow Chemical and Dome Petroleum asked the National Energy Board for a permit to export some 500 billion cubic feet of ethane per day to the United States, and the board, in granting them permission for this export, pointed out that as of June 30, 1973, our marketable reserves had gone up by 13.8 per cent. In fact, they have gone up from 56.4 trillion cubic feet to 64.2 trillion cubic feet. There have been a number of finds since that time, particularly in northwestern and northeastern Alberta.

I always find it difficult to reconcile the fact that when the National Energy Board is looking at our marketable reserves where an application for a permit to export is concerned, they have a rosy picture of how much marketable reserves are available, but when it comes to making a general survey they seem to be much less optimistic. I for one do not want to see us stampeded, by any fictitious figures with respect to our gas reserves, into policies which in the long run could be harmful for this country.

The other thing I would like to ask the minister concerns prices for the export of natural gas. He pointed out the need for trying to work out a consensus between the producing and consuming provinces regarding the price of natural gas. I can appreciate that, but surely that does not apply to the export price, and it is no secret that we have been exporting natural gas to the United States at prices which are ridiculously low. In some instances we have been exporting natural gas to the United States at prices which are lower than the prices at which we are selling our gas to the consumers of the province of Ontario.

While I know the minister will point out that there are long-term contracts between the Canadian producers and the American gas distributing firms, the fact remains that under section 17 of the National Energy Board Act, that body has the power to amend, alter or rescind any of these export agreements. I have been disturbed for a long time at the tardiness with which the National Energy Board has applied itself to this problem. I do not think we need to wait for a consensus between the various provinces of Canada with respect to an export price, and I would ask the minister if he is urging the National Energy Board to review these export prices; and if they have reviewed them, what action do they intend to take, and how soon can we expect that action to bear fruit?

Oil and Petroleum

Mr. Macdonald (Rosedale): Mr. Chairman, the hon. member for Nanaimo-Cowichan-The Islands has made a number of points to which I will be glad to respond. The first one concerns the reference that we have laid down a loaded pistol in this bill as a threat for the provinces in question. I suppose I could turn it around and point to statements made by Premier Blakeney such as when he says he is seeking a \$2 or a \$2.50 increase in price if his energy security fund is not accepted, a proposal which has been rejected by Premier Lougheed.

The power the province has at the moment to set the prices of natural gas and oil is really a loaded gun laid down for the consuming provinces and Canadians generally. I suppose it is really a matter of in whose hands that loaded gun ultimately should be, and I go back to the rather persuasive argument he made, that on the whole, while there should be every effort to balance the regional interests, ultimately it should be the federal government exercising responsibility and, for good or ill, being held responsible.

● (1640)

Mr. Douglas (Nanaimo-Cowichan-The Islands): Time for a disarmament conference.

Mr. Macdonald (Rosedale): It was your colleague's metaphor, not mine, in the first place.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I do not think, however, that the Saskatchewan premier has asked his legislature to give him this kind of power at this particular time. This is a very sensitive time.

Mr. Macdonald (Rosedale): I do not think he has to ask! I think he has it now. He put the assertion that I was necessarily committed to an increase between now and the end of June, and that certainly is not my position. Indeed, I think that in the negotiation of oil prices, in particular, it probably will take longer than that. One of the ultimate possibilities in arriving at prices is that we will not just be talking about a 12-month period. We might be talking about a longer period of time. In order to get the acceptance of the producing provinces, we may talk about price increases a year or two years from now, perhaps on some kind of schedule to deal with the concerns expressed at the conference by consuming provinces that we might not have any price agreement at all in 1975.

The point the Prime Minister made and that I sought to make in my remarks is that over a period of time a price increase is inevitable in this country, both from the standpoint of generating additional funds for exploration and, of course, even more so from the standpoint of equity for the producing provinces of Alberta and Saskatchewan who say that it is not fair that their commodity should be price-controlled when all other commodities being offered for sale are being sold on a wider market. The federal government arrived at this conclusion really because of these arguments of regional equity which have so often been put in this House and outside, and for a non-renewable resource, as pointed out by the hon. member for Peace River, once it goes down the pipe you have no chance at a later date of recovering that price. In that sense and in terms of regional equity, some price increase is indicated.