

Oral Questions

Canadians for future energy supplies, and the importance of energy conservation. Energy ministers yesterday addressed themselves to that question and overwhelmingly—I include in that the majority of the consuming provinces as well as the producing provinces—they felt it was in Canada's interest that we should move our price up, because any other policy would have disastrous consequences for Canadians in the future.

OIL—ALLEGATION COMPANIES SPENDING LESS ON EXPLORATION WHILE RECEIVING HIGHER PRICES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. The figures I quoted were given to a meeting of federal and provincial officials on March 4, 1976, and were quoted at the meeting of ministers over which the present Minister of Energy, Mines and Resources presided on March 5, 1976. The minister should be familiar with the figures of his own department. I ask the minister a question arising from a statement he has made repeatedly inside and outside the House, that these price increases are necessary in order to secure exploration and development. In the light of that, how can he explain that this country's petroleum industry in 1976, according to his own department's figures, when the price of oil was \$9 a barrel, used 52 per cent of its internally generated cash flow for exploration, whereas in 1971, when the price of oil was only \$3 per barrel, the industry invested 61.7 per cent of its cash flow in exploration. Will the minister explain why, despite the billions of dollars Canadian consumers have paid the petroleum company, that industry is spending a smaller percentage of its cash flow on exploration and development, therefore nullifying completely the minister's argument that higher prices will accelerate exploration in this country?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member is being extremely selective with his figures; I suppose we should not be surprised. But if he would look at the next year, 1972, which was also a year before the increase of international prices and the start of the rise of Canadian prices, he would find that the percentages for 1976 which he quoted at 52 per cent, were higher than those in 1972. The hon. member has been selective in taking a particular year which best illustrates his particular case. I suggest to him that he look over the whole five year period. He would see that there is an increasing trend on the part of the oil industry toward exploration and development.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the minister if he is satisfied that the additional cash flow which the oil industry has received from the steady increase in the price of oil is only 52 per cent. May I ask him what percentage of the oil companies, internally generated cash flow ought to be used for exploration and development. What is the percentage? Will the minister tell us what the goal is that the federal government has set or is he leaving that matter entirely to the discretion of the oil companies?

[Mr. Gillespie.]

Mr. Gillespie: Mr. Speaker, the hon. member should also acknowledge there are other calls on the internally generated funds such as increases in working capital during an inflationary period and other capital expenditures which produce jobs for Canadians right across the country. The hon. member has not acknowledged this. If he were to acknowledge this, he would be able to state that a much larger proportion than the proportion he mentioned has been devoted to these capital projects. I say to him that I hope to see that particular trend increase for some years to come.

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[Translation]

AGRICULTURE

RESULTS OF MEETING WITH PROVINCES ON INDUSTRIAL MILK QUOTAS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Agriculture of which I gave him a copy.

Can the minister tell the House about the results of the meeting he had with the supply management committee and the provincial Ministers of Agriculture which he mentioned in reply to my question of Tuesday last concerning manufacturing milk producers' provincial quotas for the 1977-78 production?

[English]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we had a lengthy discussion. Two provincial governments or their milk marketing boards have made a decision that they will participate in the program. The others have not. Some wanted longer to consider. Some took a strong stand toward participating in our program in the way we had suggested to them. We said if there was any other way they could come up with an equitable method of finding a way to pay on all class one milk, we would accept that, and that they had until the first week of June to do it.

[Translation]

INQUIRY WHETHER JUSTICE WILL BE GIVEN QUEBEC INDUSTRIAL MILK PRODUCERS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, on a supplementary.

Can the minister tell us whether the people he met, who represent the manufacturing milk producers for the year 1977-78, are willing to recognize the problem of equity towards the Quebec manufacturing milk producers, whether that problem can be solved and whether government has the power, through the bodies involved, to demand that justice be done to those producers?

[English]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the provincial minister of agriculture for Quebec did not attend the meeting yesterday. One of his representatives was