

This is not a view that has been shared at the provincial level. I should like to refer him, for example, to the action taken, the rather extensive action taken, by the government of the province of Ontario through publicity in the journals of the province, to action taken prior to the actual conversations between the federal government and provincial governments concerning interruption, founded upon that government's conversations with the industry. The province has said that action should be taken not only to relieve the situation regarding home heating oil in the province of Ontario, also to make any surplus available to relieve a possible shortage in the province of Quebec.

Among those who support the action taken by the federal government would be the minister of energy for the province of Ontario. I should like to read to the House the following remarks made by Mr. McKeough in the Ontario legislature, as reported at page 5576 of the debates:

We in Ontario rely on and are well served by Canadian crude oil from western Canada. We must face up to the fact, however, that some of our domestic oil supply will and should be diverted, if necessary, to other Canadians. The big oil companies are multinational, so it is only prudent to assume that a world shortage will in all probability reflect in domestic shortages on a worldwide scale. In other words, Canadians cannot expect to escape the effect of a Middle East embargo on the United States. As a consequence of all this, there is more than a possibility of a Canadian gasoline and heating oil shortage. We in Ontario must accept our share of the burden.

So much for the views of the Ontario government.

Mr. Stevens: Did they set up a board, too?

Mr. Macdonald (Rosedale): They do not have authority to set up a board to deal with energy on a national basis.

Mr. Lawrence: Neither do you.

Mr. Macdonald (Rosedale): That is a matter of opinion. As for the views of another provincial government, I refer to remarks made by the Quebec minister of transport as reported in *La Presse* for November 30 of this year. He indicated that he felt voluntary restrictions would not be adequate for the purpose of protecting the Quebec market. I quote from his remarks in *La Presse*.

[Translation]

Voluntary restrictions, he explained, would not be adequate for the purpose of protecting us against a possible scarcity.

[English]

So Mr. Mailloux, the Quebec minister, felt the same concern, as did the premier of New Brunswick, the Hon. Richard Hatfield, in his statement to the legislature on November 27, when he set out at some length the kind of interruption that New Brunswick felt it might experience in the course of the coming winter. He supported the measures taken by this and other governments for the purpose of voluntarily restricting the use of products of these kinds.

There are really two main areas in which the powers of the mandatory allocation board would be necessary. The first is the situation where, because of the increasing international tightness of supply, there will be a shortfall in international supplies coming on to the market in Canada, and where for over-all statistical reasons there

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may be within the eastern Canadian market a drop of supply below demand.

The other area, even if there were no tightness of supply—though I must say we are anticipating one—would be within our own market where, whatever the statistical balance of supply might be, the government would have no authority to set priorities between individual or company decisions concerning allocation of supplies. One could therefore find an imbalance in the supply of particular commodities in one region, an imbalance between various companies, where some customers would be going short while others would have no inadequacy of supply.

Under the law as it stands at the moment, there is no way government can intervene on behalf of the general public interest to set these priorities. So some kind of legislative authority like this would be required for the purpose of giving authority to the government of Canada to make such reallocation, and to do so without damaging the contractual situation or without creating any legal liability on the part of the contracting parties to any private arrangement.

The bill is really analogous to an insurance policy. As with insurance, the actual loss in the event of the occurrence assured against cannot be calculated in advance. What is required is an estimate of the risk, and the exposure that the risk will bring out. In conjunction with industry we have projected the potential loss if certain events come about, but we cannot be certain either that they will come about or even that those events not now anticipated may not occur. If any of these events do not occur, then we will all be relieved in the situation. We will have been insured, as an insured party is, by this particular bill, by the policy the government has followed, and there will have been no risk to the community.

If the event does occur, the measure that we are proposing will be available to enable the government to protect the priority needs of Canadians. On that basis I suggest it is important that the board be constituted at an early date and that it be given power to develop a mandatory allocation of supply for Canadians. It is important that the Canadian community, particularly the eastern Canadian community, have protection in this kind of legislative intervention so their interests can be guarded in the event this kind of interruption during the winter takes place.

There will undoubtedly be some questions at the committee stage regarding the detailed provisions of the bill and I shall say no more at this particular time. But the critical consideration, and I would re-emphasize it, is that Canadians by voluntary measures make efforts to reduce the exposure to which we may be subject in the coming winter because of international interruptions in supply, that these be moderated to a degree by voluntary restraint.

It would do no service to the community as a whole, and in particular it would do no service to eastern Canada, to try to suggest that there is no risk, given the interruptions we hear about every day taking place around the world, particularly as they affect our closest trading partners. Under those circumstances, I think it is important that we have the full support of the community in the program of voluntary restraint; and in anticipation that the interruptions will be even greater than the savings we can achieve through a voluntary program the government should also