

dent that we are on the neutral list or embargo list and have not received Arab oil since October 19, how does that affect the minister's estimate of a 200,000 barrels per day shortfall? Has this fact been included in the minister's estimate or not?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I might point out that I have the Sheik's "W5" text in front of me and he did not say what the hon. gentleman attributes to him. As to whether or not it will add to the shortfall, it could if it is the policy of Saudi Arabia not to ship even to Canadian ports as opposed to Portland.

Mr. Lawrence: Can the minister tell the House if the Shaheen Come-By-Chance refinery is included in this cut-off list or are they getting Arab oil?

Mr. Macdonald (Rosedale): Mr. Speaker, they have received a shipment, but from Kuwait.

POSITION OF ARAB COUNTRIES ON SHIPMENT OF OIL TO COME-BY-CHANCE REFINERY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question. In view of the fact the Come-By-Chance refinery was dependent to a very large extent on Middle Eastern oil as well as some Nigerian oil, and in view of the fact that this oil was for processing and trans-shipment to the United States, have the Middle Eastern countries indicated to the government that they will not allow oil to go to the Come-By-Chance refinery unless it is to be used exclusively for Canadian purposes?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, they have not specifically made that point with regard to the Come-By-Chance refinery, although it is a fair inference from what has been said that if crude oil from Arab states is diverted from Canada to embargoed states the crude oil source could be shut off if that practice occurred.

Mr. Douglas: In view of the fact the minister has had some discussions with Mr. Shaheen, was it intimated to Mr. Shaheen that he would not get oil if it was going to be trans-shipped to the United States? Is that the reason for Mr. Shaheen's decision to allow Canadians to have 100,000 barrels per day?

Mr. Macdonald (Rosedale): Mr. Speaker, Mr. Shaheen seemed to understand this disability very well.

POSSIBLE GUARANTEE BY CANADA THAT SAUDI ARABIAN OIL WILL NOT BE DIVERTED TO UNITED STATES

Hon. Paul Hellyer (Trinity): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. If the only impediment to the shipment of Saudi Arabian oil to Canada is a guarantee on the part of the government of Canada that none of the oil products from that crude will be diverted to the United States either directly or indirectly, is the government of Canada willing to give that guarantee?

Oral Questions

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think we would like to explore the position very definitively with the Saudi Arabian government. As we have indicated at times in the past, we are not prepared to be subjected to pressure of this kind, particularly if it relates to a good customer of ours.

Mr. Speaker: Order, please. The hon. member for High Park-Humber Valley is rising on a supplementary. He will be recognized and then the hon. member for Winnipeg North Centre.

REASON FOR STATEMENT BY PRIME MINISTER LAST THURSDAY

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my supplementary question is for the Prime Minister. Having regard to the statements made by the Minister of Energy, Mines and Resources on Friday, December 7, that pricing mechanism, consumer subsidization and pricing legislation are all subjects for discussion at the first ministers' conference in January, can the Prime Minister tell the House why suddenly on Thursday of last week he felt it fit to intervene in the debate on the allocation bill to make a statement involving the sudden appearance of a so-called government energy policy?

Mr. Speaker: Order, please. It seems to me this is argument and debate rather than a question.

Mr. Jelinek: Mr. Speaker, I rise on a point of order. According to *Hansard*, on December 7 the Minister of Energy, Mines and Resources avoided no less than nine times answers to energy questions by simply stating they would come up for discussion at the first ministers' conference in January. I should like to know if the Prime Minister can tell the House whether he made his statement because he disagrees with his minister of whether he made his statement last Thursday simply to pacify the New Democratic Party.

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Veterans Affairs but since he has just stepped out perhaps I might be recognized when he returns.

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[Translation]

FINANCE

GOVERNMENT GUARANTEED LOANS TO SMALL BUSINESSES—REQUEST THAT MAXIMUM BE INCREASED

Mr. Henry Latulippe (Compton): Mr. Speaker, my question was intended for the hon. Minister of Finance, but since he is absent I shall direct it to the right hon. Prime Minister.

Would he advise the House of the progress made in the consultations to assist small businesses to obtain loans from the chartered banks? Under these circumstances, will