

Oral Questions

EXTERNAL AFFAIRS

REQUEST THAT GOVERNMENT'S SPECIAL EMISSARY
NEGOTIATE WITH MIDDLE EAST COUNTRIES TO OBTAIN
MORE FAVOURABLE OIL SUPPLIES

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I wish to direct a supplementary question to the Secretary of State for External Affairs. In view of Canada's suffering a serious loss of oil supplies from Saudi Arabia and other Middle East states, would the minister consider sending a special emissary to meet with King Feisal and other heads of government in that area to clarify Canada's involvement in Arab cutoffs and, hopefully, to negotiate a more favourable supply?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have had no information that Canada is going to be subjected to any boycott. We must assume, however, that we, like many others, will suffer from reductions in the production of oil by Saudi Arabia.

[Translation]

ENERGY

CONSTRUCTION OF A PIPELINE IN NORTHERN ONTARIO

Mr. J.-J. Blais (Nipissing): I would like to put a question to the Minister of Energy, Mines and Resources.

Since he maintained that security of supply is uppermost in his thoughts, is the government still considering the project to build a pipeline through northern Ontario and if so, would any urgent matter be contrary to this plan?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I said in the House that we had examined the suggestion made by the hon. member and by his colleague from Algoma (Mr. Foster). The main point is the length of time it would take to build an oil pipeline through northern Ontario, considering there is one between Sarnia and Montreal. That is one of the things to be weighed before taking any final decision in that matter.

[English]

BRITISH COLUMBIA—REFINING OF CRUDE OIL BY
PROVINCIAL COMPANIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Minister of Energy, Mines and Resources a question with respect to the refining of home heating fuel and bunker fuel in the province of British Columbia. As the minister knows, the refineries there are geared mainly to the production of gasoline, which involves about 100,000 barrels a day, but about 300,000 barrels of oil a day are shipped to the United States and we in turn buy back the refined petroleum products. Does the minister intend to have steps taken to persuade the refiners in British Columbia to refine petroleum products there, so that British Columbia will not face the possibility of being short of home heating fuel and bunker fuel this winter?

[Mr. Macdonald (Rosedale).]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot be sure on a technical question like that, but my understanding is that the capacity does not exist in British Columbia to produce higher levels of middle distillates rather than motor gasoline. The question is one of making sure that we continue to receive the same supplies from United States refineries as we have received previously. That is what will be given priority. I cannot be sure that changing the refining mix will achieve an increase in production.

Mr. Douglas: Mr. Speaker, may I say to the minister that the technical people tell me it is possible to do this. I hope the minister will look into it; and also that he will remember that the price of the petroleum products, when they come back from the United States, is much higher than if they were refined in Canada. Also, has the minister received a telegram from the president of the Automotive Transport Association of Ontario in which he says that diesel and gasoline fuel prices in the province of Ontario have risen by as much as 50 per cent in many cases, and that this is seriously affecting goods transportation in the province? I ask the minister if these facts are correct and, if so, how this comes about and what action the government proposes to take to remedy the situation.

Mr. Macdonald (Rosedale): Mr. Speaker, such a telegram may have come in, but I have not seen it yet. I will certainly look for it because an increase in diesel and motor gasoline price, as opposed to home heating oil, except if it is done at the retail level, of course would be contrary to the restraint the companies intended to impose. If that is the case we would certainly refer back to the companies to see if this represents a breach of their undertaking and what they intend to do about it.

PIPELINE TO MONTREAL—REQUEST FOR REPORT ON
PROGRESS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask the minister a question, first of all arising out of what was said by the Prime Minister in this House on November 23 in reference to a Montreal pipeline, as recorded at page 8082 of *Hansard*. I listened very carefully to the minister's statement tonight. I listened to the three spokesmen for the opposition parties.

Some hon. Members: Question.

Mr. Woolliams: I will ask the question. You wait. I listened very carefully to the three spokesmen for the opposition parties and I would like to put this question to the minister. Has the projected Montreal pipeline got off the tracing board, who is going to build it, is there enough steel to build it, and has it now gone from the idea and into the planning stage?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it is indeed in the planning stage. However, there are a number of fundamental questions to be settled as to the responsibility for its financing, and particularly whether or not the public treasury would bear some part of the cost of the additional capacity for security of supply.

Mr. Woolliams: Mr. Speaker—