

Oral Questions

ing a major international initiative with respect to assisting developing countries in discovering their own resources.

* * *

ENERGY

NATURAL GAS RESERVES—REPORTED STATEMENT OF NRC
DIRECTOR

Mr. Bill Domm (Peterborough): Madam Speaker, my question is for the Deputy Prime Minister and Minister of Finance. It arises from the current massive program of conversion from oil to gas and the funding of municipalities so that this gas may be made available to them should they not have it available. A report in *The Globe and Mail* last week attributes to a director of the National Research Council the statement that Canada has only about a 20-year supply of natural gas. Is the minister aware of this statement and, if he is, does he feel it likely that we may have to enter into a massive program of reconversion from gas to some alternate energy source in the future when \$650 million has already been earmarked for conversion from oil to natural gas? Is the minister aware that a director of the National Research Council is reported as stating that we only have a 20-year supply of natural gas available to Canadians?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am not aware of the comment attributed to the director of the National Research Council. As the hon. member knows, we are presently engaging in a program to encourage Canadians to switch from oil to a cheaper product, natural gas. That is based on the assumption that supplies of natural gas will be available not only at the present time but in increasing quantities from new discoveries, not only offshore but in the Arctic.

Mr. Domm: Madam Speaker, a supplementary question on the same point. So that we do not find ourselves faced with the same problem as Great Britain where there was a massive conversion, almost 100 per cent, to natural gas and then, because of supply and cost, they had to reconvert—this year there was a 60 per cent increase in the price of natural gas in Great Britain—would the minister try to find out who is right? Are we already in a situation where we thought we had endless supplies of oil and now we find we do not? Are we in the same position in regard to natural gas were the National Research Council disagrees with the National Energy Board and the minister has been misled and misinformed, directing Canada into a program that will require massive reconversion from natural gas to some alternate energy source 20 years ahead, for which this government has no program?

Mr. MacEachen: Madam Speaker, I can only repeat what I said to the hon. member. I believe his fears in this respect are groundless and that it is a prudent course of action at the present time for the Government of Canada to encourage Canadians to switch from dependence upon imported oil to dependence upon a Canadian source of energy. That seems to

me to make a great deal of sense both at the present time and for quite a distance into the future.

* * *

GRAIN

STATEMENT RESPECTING EMBARGO ON SALES TO U.S.S.R.

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is directed to the Secretary of State for External Affairs and concerns a statement made by a fellow cabinet minister, the Minister of State for the Canadian Wheat Board on Friday in Regina, when he told Saskatchewan wheat pool delegates that Canada has removed any fixed ceiling placed on export grain sales by the Canadian Wheat Board to the U.S.S.R. This statement means that Canada has dropped its policy of embargo on grain to the Soviets. Can the minister confirm that this policy change has taken place and that the minister of state speaks with his knowledge and the approval of the entire cabinet?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, no change has taken place in the government's policy that only normal sales will be made to the Soviet Union. What is occurring is an attempt to define what level normal sales should be interpreted to mean for the coming year.

Some hon. Members: Oh, oh!

Mr. MacGuigan: Hon. members opposite may laugh but there is a range. Surely they are not going to suggest that the western farmer should get the short end of the stick.

Mr. Hovdebo: A supplementary question, Madam Speaker, for the same minister. Obviously the minister in charge of the Wheat Board was making a genuine attempt to respect the opinion of western farmers. Similar statements were made by the Minister of Agriculture, so obviously these two ministers were speaking out of turn. Under the circumstances, what is the Canadian Wheat Board to do? Does the government's agreement with the United States allow the Canadian Wheat Board to negotiate with the Russians to replace the contract that is presently running out? May the Canadian Wheat Board sell grain to the U.S.S.R. or not?

Mr. MacGuigan: Madam Speaker, of course the Wheat Board may sell grain to the U.S.S.R.. There has never been a complete embargo, only a partial embargo. The way in which it has been phrased is in terms of normal levels of trade in those products. That is still the rule. We are now into a new crop season and we have to try to establish what that means for this year. The Wheat Board is receiving instructions from the government and I believe it will be entering into negotiations with the Soviet government.