

Energy Supplies Emergency Act

and covering all aspects of the trade and supply of petroleum.

The board is instructed to produce a mandatory allocation program which shall:

(a) designate the regions of Canada in which the program is to operate, if it is not to extend to the whole of Canada

(b) specify the petroleum products included under the program

(c) set out the priorities of use of the controlled products, and

(d) provide for systematic allocation of the controlled products.

Although the board is empowered to make regulations prescribing the price at which, or a range of prices within which, any controlled product may be sold, it is the intention of the government that such power would only be exercised subject to the approval of the Governor in Council and to the extent that price should not become a factor in frustrating the equitable allocation of petroleum products. As the Prime Minister said in his address to the nation, the principle here is that petroleum products in short supply should be allocated to those who need them rather than to those who can pay high prices for them.

Part II of the bill covers the concept of the rationing of controlled products. This part becomes activated when the Governor in Council orders the allocation board to extend the mandatory program because supplies of a controlled product are, or are likely to be, so short as to cause the mandatory allocation program to fail. Under part II, the board is once again given the authority to make regulations, subject to the approval of the Governor in Council, covering all aspects of petroleum trade and supply to all levels including the ultimate consumer of those petroleum products. It is the hope of the government that a rationing program will not have to be instituted. Nevertheless, the government feels it must be in a position to order the allocation board to institute such a program, perhaps on very short notice.

Throughout the history of this current emergency, the government has moved in every way possible to seek the advice of industry and of provincial governments. Advice from the industry will continue under the mandatory program and, perhaps, even under the rationing program if that should come about. To this end provision is made in the bill for industry to enter into agreements, arrangements or courses of action which might involve contravention of the Combines Investigation Act. The Minister of Consumer and Corporate Affairs (Mr. Gray) shall be consulted in this regard but the board may, by order, exempt industry from the provisions of that act with respect to any action prescribed by the board.

Similarly, the board may find it necessary to make regulations contrary to provisions of law relating to the control of the emission of pollutants into the environment. Again, the board shall consult on these matters with the Minister of the Environment (Mr. Davis) but industry and private citizens shall be exempt from pollution control legislation if they are conforming with a valid regulation of the allocation board.

[Mr. Macdonald (Rosedale).]

There is, too, provision in the bill for support of the legislative authority of the National Energy Board and the Canadian Transport Commission in order that petroleum products may be moved so as to relieve current or anticipated shortages. Moreover, the bill provides that the authority of the National Energy Board may be extended in respect of pipelines not carrying a controlled product. This is in order that the uncontrolled product may make a contribution to areas experiencing shortages of controlled products.

Finally, there is provision for the termination of any mandatory allocation program by the end of December, 1974 unless such a program is extended by an order of the Governor in Council. Such order for extension shall be laid before parliament not later than 15 days after it has been made or within the first 15 days after parliament resumes sitting. A notice of motion in either House, signed by ten members within ten days thereafter praying that the order be revoked, shall be debated at the first convenient opportunity. If both Houses of parliament resolve that it be revoked it shall cease to have effect, and the mandatory allocation program in respect of which the order was made shall thereupon terminate.

There is one aspect of the bill which may raise questions among hon. members. It is the addition of a measure not strictly confined to the allocation program, a proposal to create two additional members of the National Energy Board. As I have already told the House, the jurisdiction of the board has been substantially expanded during the current year; first, so as to extend its control over the export of Canadian oil from Canada and subsequently over a range of petroleum products. The work involved both in the hearings of the kind the board has been carrying on, the proposed hearings with regard to oil supplies, the proposed hearings with regard to the pricing of natural gas for export and the hearing which may take place if the Canadian Arctic gas study group makes an application for the construction of a McKenzie Valley pipeline, has greatly increased the range of tasks falling on the board. The substantial increase in the hearing time involved will throw an extra burden on board members and for this reason the government is recommending the appointment of two additional members to assist in this work.

Before closing, I think I might refer to a question which has been much debated in the House in recent days. It is whether or not the supply in Canada this winter may reasonably be expected to be in jeopardy. The Leader of the Opposition (Mr. Stanfield), as I note from his remarks reported at page 8222 of *Hansard* for November 28, indicated he did not believe a report coming from the technical advisory committee that there would be a shortfall in supply.

● (1530)

Mr. Stevens: What committee?

Mr. Macdonald (Rosedale): —there would be a shortcoming in the supply of oil to the Canadian market. The hon. gentleman may not have done so, and I suppose it is a question on which reasonable men could differ. In effect, he feels that Canadians are secure for the winter and that they do not require further assistance.