

*Oral Questions*

International Energy Agreement, and can he give us their view as to the likelihood of the sharing rules of the IEA being brought into effect and eastern Canadians being faced with oil shortages of up to 30 per cent?

[Translation]

**Hon. Marc Lalonde (Minister of Energy, Mines and Resources):** Madam Speaker, I thank the hon. member for his question which, I am sure, is of interest to all Canadians. I myself have had the opportunity of discussing the matter with some of my colleagues, and in particular with the American Secretary for Energy, Mr. Duncan, a few weeks ago. In addition, my officials have been in touch with the authorities of the International Energy Agency. According to the agency's findings, there is no reason for the western countries to fear an oil shortage as a result of the current Iran-Iraq conflict, particularly because various countries have accumulated considerable reserves; in addition, the co-ordination between member countries of the International Energy Agency is much better now than it has been in the past.

Consequently, there is no reason to fear the need to apply, in the near future, any of the sharing rules to the various members of the IEA. What the members of the agency are concerned about, however, at this time is preventing the flare-up in prices on the free market which could result from a rush of orders on the part of a number of its members. There has been some co-ordination in that regard and I feel we must rejoice in the fact that there has been no appreciable increase in prices on the free market in the last few weeks. The concern expressed by the hon. member, therefore, does not seem to be justified, especially with regard to eastern Canada.

[English]

**Mr. Andre:** Madam Speaker, I hope the minister's confidence is based on more than just wishful thinking, and I wonder how we can do without the production of these two major oil producers and still not have our future in some doubt.

Given that the Iran-Iraq war is yet another example of the recklessness, if not insanity, of failing to pursue a policy of energy self-sufficiency with vigour, has the minister, if he is unwilling to make those sensible but tough decisions which are necessary to make this country self-sufficient in oil, at least taken a final decision or any decision or action with regard to some strategic storage in eastern Canada so that at the time of the next crisis, if it occurs in mid-winter, Atlantic Canadians will not be faced with wholesale closures of factories, schools and other public buildings?

[Translation]

**Mr. Lalonde:** Madam Speaker, the only time when Canada had to face such a danger was in November and December last year while the party of my hon. colleague was in power. Since then the member countries of the International Energy Agency and Canada have considerably increased their reserves. In addition, my colleague should know that Saudi Arabia and

certain other countries have agreed to increase their production to offset, to a large extent at least, the discontinuation of supplies from Iraq and Iran. So conditions are such that once again there is no reason to fear that in the coming months there will be a shortage of oil in Canada.

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[English]

**OFFSHORE RESOURCES**

REPORTED STATEMENT OF SENATE DEPUTY GOVERNMENT LEADER

**Hon. James A. McGrath (St. John's East):** Madam Speaker, I have a supplementary question for the Right Hon. Prime Minister. On Thursday the deputy government leader in the Senate, a distinguished and learned lawyer from Ontario, supported the claim of Newfoundland and Nova Scotia to offshore oil and gas. On Friday the Prime Minister hinted that he may be prepared to make resource concessions to the provinces. This is an area in which there is already undisputed jurisdiction under the current provisions of the BNA Act. Was the deputy leader of the government in the Senate speaking for the government when he supported the claim of Newfoundland and Nova Scotia?

That leads me to the next part of my question. Does the Prime Minister intend, in the concessions he has hinted he is prepared to make, to include rights of the coastal provinces to offshore oil and gas?

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, I have not had occasion to see what remarks were made in the other place, but I will gladly refer to them. If, as the hon. member says, it is correct to say that the rights of Newfoundland and Nova Scotia are established beyond dispute, it is hard for me to understand why they have not accepted a reference to the Supreme Court, which we have suggested repeatedly over the past years. If their claims are beyond dispute, why do they not establish them in a reference to the court? I have not heard an answer to that yet.

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**ENERGY**

NATURAL GAS—REPORTED ANNOUNCEMENT BY GOVERNOR OF MASSACHUSETTS RESPECTING EXPORTS TO UNITED STATES

**Hon. Elmer M. MacKay (Central Nova):** Madam Speaker, I have a question for the Prime Minister with respect to an important announcement emanating from Boston today made by the governor of Massachusetts, Edward King, in which he described a new relationship between Canada and the United States which involves a ten-year multimillion dollar contract to pump Canadian natural gas to the northeastern United States. I realize that this is probably subject to confirmation by officials of the two countries but, if this is the case, why have we apparently advanced in priority pumping gas to the