

*Energy Supplies Emergency Act*

completely, control these resources. So if we go ahead and pass this bill, at that conference table the Prime Minister will say to the provincial leaders," I will tell you what I am going to do. I am going to take over your resources."

That is no way to solve the problems of confederation. Heaven knows, this country, with its five separate regions and its economic differences, is hard enough to govern anyway; you certainly cannot govern it with confrontation, by tweaking noses and with no consultation. To pass this measure and the ways and means motion on the order paper, and not to have this conference, is to say, "This is what you are going to do boys. That is the way it is. We have taken over." If we do that we will have problems. Those problems will not just be in western Canada; they will be in eastern Canada, because no settlement has been made in respect of the claims by eastern Canada as to who has the right to give permits for drilling off the Atlantic shore, or who is entitled to the royalties. This whole question is compounding the problems of our nation, and we will not solve them by the Prime Minister writing to the premier and telling him what he is going to do, or by standing in this House stating policy and making tax announcements without consultation in respect of provincial resources.

I say to you, sir, and to this House that it is about time we got with it. We realize there is a lot of good will on the other side and that the premiers of the provinces which have petroleum are quite prepared to have this petroleum sold to all Canadians at one price, a price that is considerably lower than the world price.

**An hon. Member:** They don't have any choice.

**Mr. Alexander:** Where did you come from?

**Mr. Paproski:** Why don't you go back to bed.

**Mr. Blenkarn:** We are not going to solve these problems by confrontation. If we continue to tweak their noses, and continue to push the interests of central Canada against the resource provinces, we are not going to keep confederation together—and that is a pretty serious matter. Therefore, I suggest to this House that this bill be deferred. Let us stop the debate on it, adjourn the House and come back after that meeting. If there is urgency why can the meeting not be held a little earlier than January 21 or 23?

When we come to the question of this whole energy or supply problem and the development of a petrochemical resource industry, about which there is no problem right now, we have been told by environmentalists and everybody else that if we keep pumping out oil the way we are now, we will not have any. We have already been told that we have enough oil in the tar sands, which we have known about for 200 years, to last this country into the indefinite future. But those resources cannot be developed until we get rid of some red tape. Let me refer particularly to the Syncrude deal. The province of Alberta, together with private interests who know something about how to extract the oil from the tar sands, made an arrangement to split the profits. I know the hon. member for York South (Mr. Lewis) has said there will not be any profits and he is probably right. There probably will not be any profits until the machinery and the exploration costs are paid off.

I understand that the oil sands company has lost \$90 million so far, so there have not been any profits.

In any event, the province of Alberta and the Syncrude group have made arrangements to split the profits when there are some, instead of there being so many cents royalty per barrel. That is a pretty fair deal. But unless you get it out of the ground, put it in barrels or put it in a pipeline and make gasoline from it, it is not worth a darn. We have known about these tar sands for 200 years, but in their present state they do not represent money. You cannot put the tar sands in the bank any more than you can have money in terms of payroll taxes, sales taxes or corporation taxes to pay for some of the social legislation in respect of housing problems, crowding in cities and slums, and the rest of it, unless you get at this problem and use our resources for the betterment of Canadians. Oil in the ground does not do a thing for us any more than does the uranium in our closed-down uranium mines.

There is another matter we must consider. In respect of a petrochemical industry we must have a total industry. Here again we need leadership from the federal government. At the present time there are tariffs against our products going into the United States, and I have in mind plastics, resins and things such as garbage bags. The United States is happy to take our crude, but not too happy to take our other products unless they are subject to tariff. It is about time we had some leadership from the federal government to the extent that it should be said to the United States, "If you want our oil, you will also have to give us a pretty good deal in respect of tariffs, or indeed no tariffs at all on our petrochemical products." That is the kind of action we should have from the federal government.

We should have a federal government which understands that there are undeveloped parts of this country where people want jobs, and that those jobs can be created by using the commodity resources of this nation. With a world desperately short of oil and with a country which buys more oil from us than we in fact consume, why should we sell it as crude? Should we not be negotiating for the development of a petrochemical industry in this nation, particularly in the western provinces? It requires federal leadership to encourage the development of the oil resources of this country, but we have not heard a word from the Prime Minister as part of his oil policy in respect of that issue. I notice the time is getting on, but I should like to continue for a minute or two.

**Mr. McKinley:** You have three minutes yet.

**Mr. Blenkarn:** Oil companies in this country are pretty mobile outfits. I was quite interested the other night to hear on the national news that a Canadian oil company is exploring for oil in Viet Nam. I know that Canadian oil companies are exploring for oil in the United States and in the North Sea. One of our problems is to develop a business climate which will encourage these Canadian oil companies to come back to Canada to explore here. But what do we get from this government?

**Mr. Paproski:** Macdonald.

**Mr. Blenkarn:** That is what we get, Macdonald. We get the suggestion of an export tax that goes up and up, but