

acquired from a 400 per cent increase in the price of oil. Ever since the OPEC nations faced the world with the prospect of steadily rising prices and the present government began to increase the price of oil and gas, we have been assured regularly and systematically by the oil companies that these increases were necessary to provide funds for the exploration and development of our resources.

When the government first proposed bringing the price up to \$4 a barrel at the wellhead, we were assured in this House that the money would go into increased exploration and development in this country. When we expressed some skepticism the then minister of energy, mines and resources, the hon. member for Rosedale (Mr. Macdonald), promised in this House that the government would monitor the oil industry to ensure that the very large profits they received would be reinvested in exploration. For three years we have waited in vain for results of this promised monitoring, Mr. Speaker.

● (1522)

It was not until 1977, four years after the price increases began, that we got a monitoring survey which covers the period from 1971 to 1976, and which covers only some 82 per cent of Canada's crude oil production. The information from this first monitoring survey, done in 1977, is sketchy and inadequate. I should like to know why it has taken three years to get a monitoring survey and why it covers only 82 per cent of our oil production.

If the oil industry was not co-operating, why was legislation not introduced much sooner to make it mandatory on the oil companies to respond to the government questionnaire? It is very apparent that the oil industry did not co-operate quickly or willingly. It is also quite evident that the government has dealt with the oil industry with kid gloves.

I hope you will notice Mr. Speaker, how much different the story was in 1974 when the oil industry virtually went on strike and reduced its drilling program in order to force the government to agree to a further increase in oil and gas prices. The oil industry in Canada sent their drilling rigs to the United States and virtually brought drilling in western Canada to a standstill until the government caved in.

The position taken by the New Democratic Party has been clear and consistent ever since this crisis came upon us in 1973. We have said that, apart from increased production, transportation and refinery costs, we see no justification in these price increases unless the additional revenues generated are used to find new supplies of oil, gas, coal, or for research and development in renewable resources such as solar energy and tidal and geothermal power. We think this was a logical position to take five years ago, and we think it is a logical position to take today.

I should point out that the stand we have taken is not confined to this party. A former cabinet minister, the hon. member for Windsor West (Mr. Gray), said in this House on July 12, 1977, as reported at page 7613 of *Hansard*:

If the purpose of the increase is to bring about increased production of our petroleum resources, why should the oil companies get any additional revenue,

even one dollar, that is not used for exploration and development, to bring about such increased production?

Petroleum Statistics

To ensure that these greatly increased revenues were applied to exploration and development in Canada, the New Democratic Party proposed that all additional revenue from production of oil and gas, after making allowances for increased production of costs, should be placed in a national resources fund. This money, we contended, should then be used to finance exploration and development, both in non-renewable and renewable resources, by either private companies or Crown corporations which may be created from time to time by federal or provincial governments. If this proposal had been followed, several billion dollars would have been available for the development of our energy resources, rather than having this siphoned off by the oil industry while a subservient government stood idly by unable to get even a monitoring system set up until three years after the price increases had taken place.

An examination of the figures by the monitoring survey shows that the exploration and development program has fallen about \$2.2 billion short of what would have been available had the proposal we made in 1973-74 been put into effect. I believe history will condemn this government for its failure to ensure that the billions of dollars extracted from the consumers of Canada were reinvested in the development of Canadian energy resources.

There is conclusive evidence that the increased oil revenues have not been used for the development and exploration of our resources to the extent that the increases which were granted have been made available. I refer, for instance, to the statement of Mr. Maurice Strong, chairman of Petro-Canada, as reported in the *Globe and Mail* of October 6, 1977. The article begins as follows:

Maurice Strong, chairman of Petro-Canada, says the oil industry is not carrying out enough exploration with the 'tremendous amounts of money' built up through dramatic increases in the price of gasoline and home-heating oil.

The penultimate paragraph reads:

'Tremendous amounts of money are building up in the coffers of the oil companies,' Mr. Strong said. The money came from price increases justified by the industry on the basis it needed the cash to develop new supplies.

Referring to a criticism by the Leader of the Opposition (Mr. Clark) that Petro-Canada had spent \$100 million on exploration, Mr. Strong said:

—'but that's peanuts compared to what the private oil companies are spending of Canadian taxpayers' money'

He pointed out that after an oil company has spent \$5 million in the north, 95 cents of every dollar are provided by the Government of Canada through the tax breaks devised to help oil companies.

I think few people realize the extent to which the taxpayers of this country finance oil and gas exploration. In the Arctic, if \$20 million were spent on one well, the oil company would pay 12 per cent of the cost and the Canadian taxpayer 88 per cent. On page 36 of the pamphlet "An Energy Strategy for Canada" issued by the Department of Energy, Mines and Resources, we find that of an increase of \$1 per barrel of oil,