

OIL

INVESTIGATION OF INCREASE IN PRICE OF CRUDE—
REQUEST FOR TWO-PRICE SYSTEM—ACCESS TO
UNITED STATES MARKET

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the Minister of Energy, Mines and Resources arising out of the fact that three of the leading oil companies have now increased the price of crude oil by 25 cents a barrel following the example of the oil companies in the United States. Since representatives of these oil companies have indicated that the increase is not due to any increase in costs—as a matter of fact oil company profits increased in the first nine months of this year—but is due to the fact that the oil companies are following the example of oil companies in the United States, may I ask the minister whether his department intends to take any action with respect to this increase and, in particular, whether the National Energy Board has this question under study and has made any recommendation to him regarding it?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): The hon. member may not be aware that in Canada it is the buyer who fixes the price for oil. The buyers are paying more for crude oil now and hence their profits will diminish, if anything, rather than increase. The change should, of course, increase the profits of the producers. As far as any review of this matter is concerned, there is no review under way. I might point out that with respect to crude prices there has been no increase since 1962, so I think this industry has been very responsible in showing price restraint. Any increases that have been made have been the result of taxation by provincial governments, not of increased product prices.

Mr. Douglas (Nanaimo-Cowichan-The Islands): I do not think that is so. The minister seems to have forgotten the increase in the price of gasoline that took place only a few months ago.

In view of the fact that the oil companies will now make an additional \$350,000 a day as a result of this price increase, and since the government has already set a two-price system for gas and as the Minister of Industry Trade and Commerce has set a two-price system for copper—

Mr. Speaker: Order, please. Perhaps the hon. member would proceed to ask his question. We are reaching the point of argument now.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Will the minister give consideration to setting a two-price system for oil so that Canadian prices will not automatically be established in terms of United States prices as is apparently the case now?

Mr. Greene: No contemplation is being given to a two-price system for oil, but I would point out to the hon. member with respect to his political claims in this regard that we would sell no oil at all in the United States market if it were a completely open market. It is a highly protected market, a market protected at the expense of

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United States consumers, and access to that market is certainly a great opportunity for Canadian oil producers.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister, then, precisely what are the arrangements concerning access to the United States market? Are there still to be quotas with importers of Canadian oil allowed to use their overseas allotment to buy Canadian oil, or is there to be unimpeded access to the United States market during 1971?

Mr. Greene: As indicated subsequent to our meetings with our United States counterparts in this regard, we are moving toward an open market. We are still under restrictions, of course, but the market has improved at the rate of some 15 per cent a year. I believe the communiqué issued subsequent to our meetings indicated we would be moving to the full pipeline capacity available in Canada during 1971, and I think this is evidence of a continually improving market to the benefit of Canadian producers.

Mr. Speaker: The Chair will recognize the Leader of the Opposition on a supplementary question but I wonder whether we might not give some thought to trying to limit supplementaries on the first questions each day. It has been our experience in recent weeks, more so from day to day, that if there are many supplementaries on the first two or three questions most of the question period is spent on these lead-off questions. I would think it might be helpful to those hon. members not seated in the first or second rows if we were to limit supplementaries at the beginning of the question period.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I rise not to attack the minister nor to defend the provincial governments but to ask him whether he would check the statement he made that there have been no increases in the retail prices of oil products, as I understood him to say, since 1962 other than those to compensate for increases in provincial taxes?

Mr. Greene: Mr. Speaker, I would be pleased to check that statement but it is my understanding that since 1962 there have been no increases. If that is not correct, I will inform the hon. member.

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[Translation]

NATIONAL SECURITY

ALLEGED INFILTRATION OF UNITED STATES COMMUNIST
PARTY INTO CANADA

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to address a question to the Minister of Justice.

Can he state whether his department is aware of and inquiring about present infiltration into Canada by the American Communist party which, with the help of outstanding Canadian personalities, publishes documents tending to undermine Canadian democracy and unity?

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a supplementary question.