

Oil and Petroleum

industrial applications where, comparably speaking, either coal or oil could be used in competition with it. We recognize that the price of natural gas in Canada has to go up. But the proposal we have made to the provinces is that the increase, as with oil, should be escalated in small enough steps over a period of five years so that the full impact of the price increase does not fall upon the consumer right away.

I think I would be justified in saying that under the current law there is no way, except by an amendment of the kind proposed in this bill, in which one can prevent the arbitration process provided for by Alberta law from escalating the price at the wellhead and therefore passing on the higher prices to Canadian consumers generally. It is on the basis of avoiding this situation that we have proposed to the provinces that the price be escalated in stages, and we are suggesting that the only effective way to protect that staging is by this kind of amendment in the bill.

I appreciate the courtesy of the committee in giving me an opportunity to restate the reasons behind the government's thinking in regard to this particular measure. I also appreciate the courtesy of the committee in enabling me to adjourn the debate at five o'clock so I can have meetings with the Premier of Iran. The hon. member has made some interesting proposals which I shall have to discuss with my colleague, of course, but I am sure we will have an opportunity before long to return again to this fascinating subject.

Mr. Baldwin: Mr. Chairman, may I make one or two comments? The minister has spoken about central Canada versus western Canada. I do not like that kind of confrontation, which I think we can do without. However, I remember well as a young man in the west, when living in the northern part of western Canada, that prices went up because of tariffs, and also because of horizontal freight rates. I participated in some of the submissions made to the board of railway commissioners, as it was then, and the arguments that were put forward on behalf of those people representing what has been referred to as central Canada were to the effect, "Well, if you ignorant people want to live that far out in western Canada, you must suffer the consequences." I think that is wrong and I would hate to see it become part of this argument now—and I refer to what has been said over and over again.

● (1620)

I know there are difficulties; the minister does not need to tell me that. I followed this matter for years until I became involved. But I suggest they are not difficulties which are insurmountable. When I was young like the minister, the sap of energy and controversy ran through my veins, but as one grows older he grows a little more mellow. There is an old motto which the minister may know, being a lawyer, that a case settled is a case won. In any event, I cannot believe there are difficulties of the kind envisaged in this particular matter of energy supplies that cannot be solved by people of good will getting together on a fair, firm and equitable basis, respecting the constitution under which this country is governed.

Some hon. Members: Hear, hear!

[Mr. Macdonald (Rosedale).]

Mr. Baldwin: Let me tell the minister a story which illustrates my point. Not far from the town of Peace River, though not in my constituency now but in the constituency of the hon. member for Athabasca, so there is no conflict of interest, the Shell people were involved for a number of years in an in situ tar sands development project. It was estimated that there were anywhere from 15 billion to 50 billion barrels of oil involved. Shell worked for some five to seven years with the government of Alberta and the Alberta Research Council on this project. This involved some \$40 million to \$50 million at the outset, with more money available over a period of time. It was a pilot plant that was deemed fairly likely to be successful and would have brought a large, additional source into the stream of energy supplies of this country.

This is the kind of thing the people of this country demand the 11 governments take into account in their approach. I do not suggest that the fault lies exclusively with the federal government—and you can tell by my voice that I underline the word "exclusively". At the same time, none of these are problems that cannot be worked out by people sitting down together in good faith. For this reason, I suggest we buy time by the course I have proposed. I think the people of Canada will expect and demand that governments sit down and work this thing out, as I believe they will.

Mr. Macdonald (Rosedale): Mr. Chairman, I wonder if I might say that in respect of the specific reference to in situ tar sands development, I am in total agreement. It is for that reason we have laid some emphasis on the importance of research investment in which this government is prepared to engage, as well as in respect of oil sands development technology in order to reach, not just that portion of the deposit that can be obtained by what are essentially mining means but in trying to find a process through which we can obtain the nearly 500 billion barrels that lie much deeper.

The hon. member made some remarks about the manner in which the debate has been conducted. I note that the hon. member for Edmonton-Strathcona is back in the House. I would have responded to his question today except that we reached the end of the question period. I would have to say there has been an intemperate quality to the debate on both sides. Perhaps participants on both sides may have said things they wished they had not said in the heat of the debate. I would have to suggest to the hon. member for Peace River that putting the debate within the context of what has been done, against central Canada, is not the way to bring about a solution to the differences. There is really a national concern here.

As I said in my remarks about natural gas, in response to the hon. member for Dauphin, this has a much wider impact than he expressed in this regard. I would acknowledge that the discussions, if they can be discussions, or even a debate in disagreement could probably be conducted in a more temperate vein than has perhaps been the case in the past.

Mr. Symes: Mr. Chairman, I should like to ask a question for the purpose of clarification. When the minister was talking about increasing prices for oil and natural gas over a period of time, I thought I heard him refer to a