

*Oil and Petroleum*

without any ordinary procedural safeguards, the power to fix the price of petroleum products through the years, there can be a meeting of minds across the floor of the House that will provide the government with the powers it needs to safeguard the interests of Canadians in a situation of urgency. As I have said, if such a situation does exist in this country in the year 1975, or exists from time to time in the future, the government will have no difficulty getting this authority. But it will have a great deal of difficulty getting agreement from me at least to having this very large and unrestricted power to be exercised according to its whims indefinitely into the future, whether there be urgency or anything else to call upon its use.

**Mr. Macdonald (Rosedale):** Madam Chairman, I must say that the intervention of the Leader of the Opposition is an interesting one because it reflects certain aspects of his thinking with regard to the current petroleum and natural gas pricing situation in Canada. It also gives some indication of his concept of the kind of market that we have for petroleum and hydrocarbons, not only in Canada but throughout the world.

The Leader of the Opposition says that there may be an emergency situation, that there may be urgency in the year 1975. He is not convinced that there is. Obviously he does not think there is at the present time. Substantial opinion has been expressed—it is not just a case of my views against his—to the effect that even the slightest increase in this year, given the current circumstances surrounding the economy, would be against the interests of Canadians. This particular opinion was very prominently displayed last week at the conference.

When you really analyse the opinions in both directions in this regard, the final opinion that comes out is certainly that represented by the premier of Ontario, who said that this was the kind of situation not only in which we should keep the maximum price at the level of \$6.50 but, as well, that we should proceed by this specific bill to exercise the jurisdiction that the premier obviously thought rested with the Government of Canada to maintain these maximum prices in Canada for both oil and natural gas. So it is an interesting concept that the Leader of the Opposition has. First, he does not share the opinion that there is the least urgency to the situation; and he has rejected the viewpoint that was put forward at the conference.

The second comment that I should like to make concerns the argument of the quality of indefiniteness of the time limit. No member now sitting on that side had the responsibility for introducing the legislation in 1959—the hon. member for Qu'Appelle-Moose Mountain was here a moment ago—that established the National Energy Board and, at the same time, established a national oil policy that fixed prices in Canada. Incidentally, they were prices that were above the international price of oil, and which in part of the Canadian market required consumers to pay more than would otherwise have been the case had market forces applied. So I find it strange to hear the Leader of the Opposition say that there is some inherent evil in the quality of indefiniteness in this bill.

● (2140)

He suggested there is some inherent evil in provisions for fixing the price of petroleum. After all, it was done for

12 years, without the horrors the hon. gentleman sought to conjure up in his statement, and without the adverse influences he mentioned. On the whole, I must say that although I resided in that part of Canada which, through those years, had to pay higher prices for petroleum as fixed by the legislation passed by the government of which the hon. member for Qu'Appelle-Moose Mountain was a member, it was an effective exercise in jurisdiction. That legislation was undoubtedly the source of the present prosperity of the Canadian petroleum industry. Although Ontario had to pay more in the long run, the country prospered. I suggest that the indefiniteness of the powers sought by the Diefenbaker government for fixing the price of petroleum, powers which were invoked by that government and by successive Liberal governments for close to 12 years, did not involve any of the horrors which the Leader of the Opposition tried to conjure up tonight.

I suppose one of the most meaningful commentaries on the thinking of the Leader of the Opposition is his notion with regard to a return to market influences governing the price of petroleum. One wonders what the Leader of the Opposition thinks will happen in the international petroleum market. Certainly, no matter whether market forces had any bearing in the past on the price of petroleum, and this has been a matter of great debate, it is clear that, given the continued involvement of producing countries' governments in the exploration, development and marketing of petroleum, markets and market prices as we knew them in the past are things of the past. There will be a distinct political influence in this field and it is important for the Government of Canada, not just this government, but succeeding governments, to be given the ability to take action in order to protect citizens of Canada with regard to the price of commodities as fundamental as petroleum and natural gas.

There are distinct differences in our opinions, Madam Chairman. Indeed, we do not say that, under our constitution, only an emergency will permit the federal government to act. Such powers were available over the years under the National Energy Board Act, under which the price was maintained at a level higher than it would have attained under market forces.

As the Prime Minister said, we, in my party, want to balance supply, and the inevitable impact of price increases on supply, with the inflationary effect of the increased price of these commodities and the fiscal and economic drag which these increases could impose on the economy at this time.

**Mr. Bawden:** Why not change your tax levels?

**Mr. Macdonald (Rosedale):** We have received a clear indication from consuming provinces, from the hon. gentleman's native province, from my own and from others, that they regard the situation as so serious that we should not take action to allow prices to go up at this time and that we should, indeed, exercise our powers under this bill.

I think the Leader of the Opposition stated the issues clearly. There is a difference between his viewpoint and his party's viewpoint and that of certain of the provinces and of the federal government. We, on our part, are concerned to exercise control over market prices. We will make every attempt to get the agreement not just of