

Canada Oil and Gas Act

spearheaded energy exploration and development on land, on the frontier and offshore. This possibility could well become a reality under the National Energy Program.

The new Canada oil and gas act must then be examined both on its own merits and in the context of the government-sponsored National Energy Program which may well be designed to nationalize and socialize Canada's energy industry under the guise of Canadianization. If this covert action is taken by the federal authority, it is in the face of a constitutional provision which clearly vests ownership and control of natural resources, the life blood of the energy industry, in the ten provinces of Canada. Yet the Government of Canada has the unmitigated gall to treat legitimate provincial concerns and complaints with scorn and cries of disloyal disregard of our natural purpose. What calumny, what cynicism, what naked lust for political power!

Why does the federal authority trammel provincial rights and regional interests in its grab for power and control? The answer is clear—so that it can finance the national works, undertakings and services which have been installed and established. In the years the Liberal government has held office, all these services have taken hold. We can look at the St. Lawrence Seaway with its \$600 million write-off of debt. What about Mirabel airport with its \$192 million loss? Also there is the Canadian postal service with its \$500 million annual deficit. We must not forget the \$500 million bribe to obtain the votes of our senior citizens while contributing little or nothing to their general welfare. The list goes on and on.

Let me talk about energy. This very day the Government of Canada is spending \$10 million to subsidize the importation of 400,000 barrels of foreign oil for use in eastern Canada. This very week Saudi Arabia, the major source of our foreign oil, increased the cost of its crude oil to \$38.50 per barrel to bring its prices in line with other OPEC nations. That means the Canadian government will spend on an annual basis over \$4 billion on oil imports which approaches 10 per cent of all government spending. Canadian consumers should realize that a \$1 per barrel increase in crude oil can result in a four-cent increase in the price of gasoline at the pump. Gas produced in Canada from Saudi oil will cost almost eight cents more per gallon when delivered to an automobile at a Canadian service station.

Why is there this massive financial problem? It is because the Liberal government did not establish a national energy program in the early 1970s when it became obvious that dependence on foreign oil would result in disaster, nor did the Liberal government recognize the error of its ways when in late 1978 the revolution in Iran further disrupted international oil supplies. It was not until 1980 that the government came forward with a national energy program and any government commitment to Canadian energy self-sufficiency.

It is no wonder that the National Energy Program announced on October 28, 1980, will have to take from the provinces of Canada and the private sector in order to remedy the financial damage and discord created by the total lack of an effective energy policy in force in the 1970s. Is that what

the Prime Minister (Mr. Trudeau) meant when he said, "Welcome to the 1980s"? What is the price of this decade of disenchantment for the provinces and the private sector? We have already experienced some very practical aspects and application of private sector disenchantment. Recent announcements indicate a very serious situation in Canada. Today it was disclosed that 60 or more oil-drilling rigs have left Canada to drill elsewhere, with a resultant loss of more than 2,000 Canadian jobs. There are more drilling operators and oil rigs posed to leave Canada for greater opportunities elsewhere.

I have before me a report which indicates the Ottawa Association of Oil Well Drilling Contractors said recently that a survey of its members indicated that some 70 drilling rigs now in Canada are committed to leave the country by June 30. That figure was based upon a December survey. I have another report before me indicating that troubled Canadian oil firms are finding exploration in the United States more attractive. Also it indicates that after five years the western Canadian exploration business seems to have lost its sparkle, and more and more Canadian oil companies are concluding that exploration in the United States looks far more attractive.

The report goes on to indicate that the southward move is well under way and it includes nearly every Canadian-controlled oil company, with the possible exception of the state-owned PetroCan; also the largest multinationals such as Canada's biggest oil company, Imperial Oil, which is 70 per cent owned by Exxon Corporation, appear to be remaining in Canada, and that by custom such companies do not venture outside Canada. So, that is the strange paradox of Canadian-owned companies leaving Canada for more attractive prospects in the United States and other countries, and the multinationals staying here. What has the Canadianization of the oil industry accomplished for Canadians?

There is another serious difficulty which is caused by this matter, that is, the dispute between federal and provincial authorities over the ownership of offshore oil rights. I will speak more about that later on, but it has resulted in a slowdown in the operations and exploration of the oil fields off the coast of Nova Scotia and in gas exploration off the coast of Newfoundland. We must review this Canadianization and this dispute between the Government of Canada and the provinces on the east coast, with very serious concern.

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Let me outline our problems on the east coast with respect to the federal government and its National Energy Program by indicating the extent of the land grab that is represented by this new legislation called the Canada oil and gas act. An editorial writer in the Halifax *Mail-Star* has pointed out that one of the major disappointments of the constitutional talks which have dominated government concern this year is Ottawa's refusal to recognize the maritime provinces' legitimate claims to ownership of the undersea land around them. What makes the matter particularly appalling is that the federal government has summarily ignored a unanimous