

Oil and Petroleum

willing, where there is a power position in the provinces, to destroy the resource companies through this innocent kind of ping-pong game. I say flatly, Mr. Speaker, that the minute you move the government into a position where it will control prices and wages, the consumer is the one who is going to get hurt.

Secondly, Canada's great opportunities which stem from our resources, particularly of energy and water, are being checked the minute government controls are put into place. We know that the government has alienated the west and is trying to take us back to colonial days, days we have just left.

Finally, the bill does not entrench or enshrine the principle of consultation. We do not have time to go through all these slow steps required to put things in statutes, as we used to 35 to 40 years ago. However, if the bill contained a clause providing that the government must consult, and that orders in council are accepted as statutory legalization of their action, then I think we could go along with it. I submit that the bill should be sent back for rewriting before asking the House of Commons to accept such a major change in the constitutional practices of this country.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, Bill C-32, which will be known as the Petroleum Administration Act, has some features which the members of the New Democratic Party support and which we were the first to propose in this House. The bill also has some features about which we have decided reservations.

Let me deal first with the aspects of the bill of which we approve. The bill puts into legislation two policies which the New Democratic Party have been urging upon the government for at least two years. The first is a two-price system for oil, which would keep prices in Canada lower than the world price, and imposing an export tax or tariff charge so that the difference between the domestic price and the world price will accrue to the public treasury. In our opinion, this money could be used to compensate for the higher prices for imported oil which must be paid by people in Canada east of the Ottawa Valley, and I hope some of the money would also be used by the federal government and the governments of the producing provinces to develop, through some kind of joint arrangement, new sources of oil under public ownership.

The second feature of which we approve is that the bill seeks to establish a single price for oil plus, of course, transportation and handling charges, so that all Canadians will benefit equally from our petroleum resources. We in this party welcome these provisions, but we have serious misgivings about the method of compensation payments to the oil cartel and the increased prices which the minister has intimated will be paid to the gas companies in the future.

The details of these questions we can discuss more fully when the bill goes, as I hope it will, to the Standing Committee on National Resources and Public Works, as well as when the bill is reported back to the House at the report stage, and at third reading. However, it seems to me that this bill requires us to look at the much larger ques-

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

tion of a national oil policy as part of an over-all energy policy for Canada.

It should not be necessary to remind the members of this House of our dependence on energy for our future development and survival. Napoleon is quoted as having said that an army marches on its stomach. There can be no doubt that every industrial nation's progress or deterioration is in proportion to the availability of its energy supplies. Without adequate energy supplies, living standards in Canada could revert to those of the last century. So we have to ask ourselves: Do we have a national energy policy? Do we have a national oil and gas policy? If so, what are these policies? I suggest that we do not have a national oil policy for the Canadian people. What we have is an oil policy which has been foisted upon successive Canadian governments by the major oil companies, most of whom have their head offices in the United States.

I was very interested in the speech which was made to the Sierra Club of Ontario by Mr. Robert Macaulay, a former Ontario cabinet minister who represented the Ontario government before the National Energy Board and who served as counsel to the Ontario Energy Board. In the course of his speech, Mr. Macaulay said:

Canadians face a serious energy problem—a life and death energy problem. North America has lived in a fool's paradise. The national government of Canada for the past 10 to 20 years has drifted leaderless in the field of energy.

It has been lulled to sleep by the energy cartel of North America. Industry dominance of government policy amid public indifference is an open book and is beyond dispute.

That is a very strong indictment from a man who is knowledgeable about the energy situation in this country and who is fully aware of the operations of the oil cartel. I submit that the government ought to tell the people of Canada frankly that we are rapidly running out of oil and gas supplies. It is estimated that we have about nine years' supply of oil at our present rate of increased consumption. Conventional oil fields in western Canada have already passed their peak, and we can expect a continued decline. Unless we either curtail consumption or radically reduce our exports, we could be one million barrels a day short of meeting our requirements within the next five or six years.

We ought to ask ourselves: How did we get into this position? We got into this position because the government and the National Energy Board have for years accepted the figures of our available supplies of oil and gas from the oil industry. The people of this country have been lied to about the amount of oil and gas that we still have available to meet our needs. The United States oil companies operating in this country blandly assured successive governments that there were adequate reserves of oil and gas. As a result, they were able to obtain permits to export to the United States far larger quantities of fossil fuels, which Canada could ill-afford to lose.

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It is significant that we are still waiting for the availability report of the National Energy Board to tell us what our inventory is of hydrocarbons in this country. If one wants to see the absurdity of our oil policy, one has only to look at the government's own figures put before the Standing Committee on National Resources and Public