

Oil and Petroleum

The Deputy Chairman: Order, please. House again in Committee of the Whole on Bill C-32. When the committee rose at five o'clock clause 2 of the bill was under consideration. The hon. member for Edmonton-Strathcona.

Mr. Roche: Mr. Chairman, I appreciate the minister returning. I know he has other meetings tonight. I shall put to him a couple of questions. I do not intend to recapitulate the part of my speech I gave before the supper recess, but I shall sum up what I believe Canadians want as they look at the federal government and its desire for petroleum legislation that will make this country grow. What we want is the existence of laws which do not change at a whim. We want laws that may be relied upon at all times.

We want to be able to have expectations that, within reasonable tolerances, are predictable with regard to exploration and development. These are conditions which are far from being met in Canada today. Perhaps I might sum up the feelings of the people in Alberta. The minister knows I began by trying to give the wider perspective from a Canadian point of view, before the Albertan point of view, that there are merits and demerits in respect of this legislation.

I wish now to consider the Alberta viewpoint which I think is in harmony with the views I expressed before supper. I shall quote a couple of paragraphs from the *Edmonton Journal* to give the minister some of the feeling that has been caught in these paragraphs about the situation existing in Alberta today. I quote:

Given the irony of the situation one can readily accept the outrage of Alberta's premier. Logic, obviously, plays no great role in the formulation of federal energy policies, which appear suspiciously like hastily constructed frameworks designed to cope only with short term political expediences.

The new federal budget includes provisions that will remove provincial royalties paid by oil companies as deductible business expenses. Last summer Mr. Lougheed warned the federal government against taking such a step on grounds the action would 'damage the confidence and strength of the petroleum industry in Canada.'

However, the federal government does seem bent on a course designed to force the oil industry out of the exploration business all together. That is a source of concern in Alberta today. Now I come to a very specific reason in a speech made by the Hon. Don Getty, Minister of Intergovernmental Affairs for the Province of Alberta, a man who has taken part in negotiations with the federal government, a man who is very modest not only in his views but in his expression of them.

After I read a small section of the speech made by Mr. Getty on Tuesday night in Edmonton, I will ask the minister to respond to the charges that are made in it concerning the ways in which the federal government has deliberately injured the development of the oil industry in Alberta by its conduct and by its failure to consult. We do not need to go over once more all the conferences, accords, meetings and technicalities. Let us look at it the way Mr. Getty looked at in a very sharp focus.

Mr. Getty makes a number of points. He says that the federal government has, over the past 18 months, taken what you could call seven steps. The first step was as follows:

[The Acting Speaker (Mrs. Morin).]

The Federal Liberal Government is so oriented to protection of the Central Canadian power base and so dependent upon it it couldn't stand to have something as important as oil and gas not under their control.

I remind the minister that I am quoting Mr. Getty, who is saying that the philosophy of the federal government is such that it fails to consult, and is dominant in the discussions it does hold. The second step mentioned by Mr. Getty was that:

Alberta was told, regardless of what your oil is worth in the world markets, you can't sell it to Central Canadians at world prices. You will still buy from Central Canada at world prices or more but by God you will sell them your oil in the name of Canada, at a lot less. Why? Well it's for the good of poor old suffering Central Canada.

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The third step in Mr. Getty's analysis was that Alberta was told it could not even sell oil to people other than Canadians at world prices, even though those other people were willing to pay that price. We cannot do that in Alberta, according to this philosophy, because the money, the \$1.5 billion, is needed for central Canada.

Then there is the fourth step. There may be an oil supply emergency, so the federal government is setting up a federal petroleum administration act to give it authority to set prices for oil. It also tells Albertans where the oil must go, and when. This is needed to protect central Canada, or at least that is what we are told in Alberta. Mr. Getty calls this a piece of outright larceny, proposed in the same name of an emergency.

Next comes the fifth step. In Alberta we might get a petrochemical industry, but only after one is established in Ontario with a federal Crown corporation and guarantees that it will get Alberta's oil at subsidized prices to compete with the petrochemical industry Alberta is trying to develop. That is because central Canada needs the jobs.

Step No. 6 is that the federal government is envious about the provinces' natural resources starting to be really valuable. It wants a greater share of the results of this production. So it uses the federal budget not only to gouge more money from the sale of provincial resources, but in a manner that controls or stops the provinces from deciding how much they should get for selling their assets. Alberta is told, "If you don't play along, we'll kill your industry if you don't allow Ottawa a greater share."

Step No. 7 is that there is no longer an oil supply emergency. We realize that following last winter. There is no oil supply emergency at the moment. But not only will the government proceed with a federal petroleum administration act that controls the price and allocation of oil, but it decides to expand it, so now it can control the price of natural gas too, and also determine to whom it can be sold. There is to be no more letting Alberta use those resources to bargain for fairer treatment in confederation. Central Canada says, "We don't expect you to like it, but we're doing it anyway for Canada's sake."

That is the spirit in which the federal government has approached the problem of petroleum legislation. I put these questions to the minister, asking him to respond publicly to Mr. Getty. We can say that the view in Alberta is in harmony with the national interest—with provincial resources systematically being dragged into the federal grasp, with the constitution being literally changed before