

of which we have an abundance, and which we should be developing. We should not wait seven or eight years until there is no more oil in western Canada. Of course it may well be that offshore oil will be found in the next seven or eight years, and it might be advantageous to pump it west through the line which we develop to pump oil east. We should allow for that eventuality.

I suggest that the moneys that we are receiving now to equalize payments to eastern Canada will only be of short term advantage for the east. I suggest that we should be using that money in other ways, and tell the public in plain, simple language that the day of cheap gas, cheap oil and cheap electricity is over. It may be good politics to wait seven or eight years to tell the public that, but I do not think that this is necessarily good for the patient.

● (1600)

There are some people who do not like to be kidded about the illness they have; they want to be told all the facts so as to make their decisions in the light of those facts. Sometimes it is much better for the person to know the full extent of his illness rather than to be told that it is not bad, that it will go away and that he will get better tomorrow, only to find out later that he will die shortly. Obviously that is true with respect to our oil. It has a predictable life span which might end shortly, and we should tell the Canadian public about this. I have no objection to equalized payments, but we cannot continue this for very long. I suggest that if Alberta had not knuckled under in the latest developments, we would be making that decision right now, and not a few years from now. We should tell the public exactly what the situation is, what the \$365 million means, in terms of compensation to those east of the Ottawa valley line—does it mean 10 cents a gallon for fuel oil for heating purposes, 50 cents a gallon for gasoline or \$1 for aviation gas—what does it mean in terms of developing alternative sources?

I think that one of the solutions would be a transmission line running through Canada only, which could handle any distribution of gas and oil, not gas in terms of natural gas but in terms of gasoline and petroleum in its various forms. That transmission line will be necessary to supply Canadian needs, because the more the American tail is stepped on, the louder the U.S. reacts. It seems to me that one of these days the United States will state that no oil can come into Canada via the Sarnia-Emerson line, and that a very large charge will be imposed on oil humped from Portland to Montreal. If that happens, obviously we had better have an alternative and we had better put some money into developing it now. This may be the kind of money we need, and we should start on it right now.

I had the opportunity of talking to the senior officials of TransCanada Pipeline and I discussed that possibility with them. A year and a half ago the government asked TransCanada Pipeline to consider putting in a line from Toronto to Montreal. After considering it, the company said that in no way could they do it. The land on the north shore of Montreal would be too expensive, would have to be expropriated at a great cost. They made an alternative suggestion, that if the construction of that line was contemplated somewhere down the Macdonald-Cartier highway, it would have to cross the St. Lawrence River on this side of Montreal, along the south shore, and come down

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across the river at Montreal to the east end of Montreal where the refineries are located. In no way, they said, could they afford to construct that pipeline on the north end of Montreal island because the property costs would be fantastic, in fact phenomenal. They advised that it not be done.

I agree that it cannot be done, and I also think it would not be any good doing it because there is no oil. It has been a long time, as the hon. member for Sarnia-Lambton (Mr. Cullen) knows, since they did very much flaming of gasoline in Sarnia. That was a common practice there. There has not been enough gas coming out of there to do that for at least the last 18 months. In no way could anyone get bootleg gas in Sarnia any more, because the refining capacity is being utilised for the regular markets and there is no excess. Previously there was an excess. This is how bootleg outlets were established in eastern Canada under various names, such as Economy and others. But this does not happen any more.

I suggest that a pipeline must be built across Canada, and I think the minister will agree that the government will have to build it, because a line from the west to the east is estimated to be needed for only approximately ten years. Then, I suggest, it will start working the other way; we will be pumping gas from offshore through that line to feed the refineries in Sarnia as well as in western Canada.

I suggest also that reverse flow pumps will have to be used on Trans Mountain Company and some of the other lines from the west coast as well. I think it is time that the minister told the public exactly where we stand. I am sure that the Canadian public are aware of the fact that time is limited, but they have been led to believe that by the time our reserves of natural petroleum run out we will be able to supply petroleum from an alternative source, namely, the tar sands. If, in the last two years, Syncrude costs have gone up from \$800 million to \$2 billion, then I suggest that by the time that plant is built we will be talking about \$4 billion or \$5 billion. The only way for this to be done is for the government to do it. Part of the money obtained from this source should be used in the development of these two projects.

The bill was not delivered before I started to speak, Mr. Speaker, so I can only go by the appropriations, but I presume the important part of the bill is the schedule which outlines the allocation. Perhaps we should allow gasoline to reach its proper price level in this country. I am certainly of the opinion that if we are to subsidize anything, we should be subsidizing heating oil because so many people depend on oil furnaces and there is no real alternative to them.

The day is rapidly approaching when there will have to be a restriction on the use of motor cars because of limited oil supplies. If we allowed the price of gasoline to rise rapidly and to the fullest extent, the public would be better aware of the situation and would be more concerned with the economies we will have to practise in the years ahead while there are still some resources available.

In a previous debate I mentioned the need to develop a smaller car in Canada. We are still building cars that use gasoline as if the supply were limitless, but of course we know it is not. This parliament has not said anything about limiting the size of cars, however. Maybe the answer