

Oil and Gas

requirements for industry, particularly secondary industry. We have been talking tonight basically about crude, and I think that initially we must be thinking about heating oil and natural gas for heat, but there is no reason why we should be exporting the crude if we could be exporting the ethane, the ethylene and the polyethylene.

There are major secondary markets for synthetic fibres and plastics. These are out-reaching industries, oriented to future growth, and there is no reason why we cannot use our resources to upgrade our Canadian industry to a much more sophisticated form. If we are going to export, let us export the product much more downstream where there is more processing involved. In that way we should be able to establish an even more significant petrochemical industry in this country.

It occurs to me that while the mass of these resources is within the province of Alberta, right next door, in the conomic sense, is the so-called have-not province of Saskatchewan. It should not be any great trick, if agreement can be reached, to bring some of that industry into Saskatchewan at least commensurate with its own resources of oil and its share of the tar sands. If we are to keep this country together we will have to co-operate in this way, and that is something I believe the people of Alberta would accept just as people in other parts of Canada would accept it.

The extension of the pipeline, which has been mentioned a few times tonight, is something which is absolutely essential for security of supply. Not only would it give us security of supply but it would give us leverage in future bargaining. We can negotiate when we have an option. At the present time we do not have an option unless we adopt the stance that some people are suggesting, that if the Middle East cuts off oil we should cut off grain. That kind of international blackmail is counterproductive.

I agree with the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), and with the honourable member for Qu'Appelle-Moose Mountain (Mr. Hamilton), that the people of the country will be behind any government which brings in such measures, even if necessarily they produce uncomfortable results in some respects. We have been loose with our reserves in the past. If it is necessary to cut down heat in our homes and offices and drive at 50 miles an hour, are we going to be mad if our lifeline is being cut off? We have been mad in the past not to consider these the important things.

● (2240)

This is not a time for hysteria; it is a time for determination and common sense. I am sure whatever arrangements the minister makes will be reasonable, because he is a reasonable man and will be backed not only by this House but by this country. We certainly have to back policies which will secure our resources. I am delighted to hear the response to the establishment of a state marketing board. We believe this is essential and something which we will accept. It is proper, correct and needed in this country at this time and in the future.

As far as a national petroleum corporation is concerned, I do not think there is consensus in this House, but I suggest there is consensus in the country. I am not sug-

[Mr. Danson.]

gesting expropriation here. We have the tools already—there is the Canada Development Corporation, although perhaps it is not the right vehicle, and we have Panarctic Oil. We must go farther downstream, through, and if a company could be purchased on a fair and equitable basis I think we would be building a control mechanism into our marketing lifeline, and this is very important. I say this only if it is a fair purchase and not necessarily going for total ownership. I think it should be controlled, not unlike the Texasgulf deal.

It is essential to maintain the management, people who know what they are doing. I can think of many ways of trying to run an oil industry, but if with it you can get good and dedicated management such as we have in this country, then we should use it; but we must recognize that we do need people from outside this country too. We could use this resource to upgrade our own skills, use them where we have to and get the results we want for our own benefit.

Some people ask where the money is coming from. Well, the export tax is providing a substantial source of income. I suggest that the Athabasca tar sands, which are supplying 300 billion barrels per day—which I understand is roughly equivalent to the Middle East resources—and I believe there is the same amount not recoverable out there, should be developed to the hilt. Maybe we could take a lesson from the Japanese who are very sophisticated in this respect. I think it is possible to arrange a deal for non-equity financing that could be taken out in trade. These countries would be grateful for assured sources of supply, and that is something we should consider.

We must look at the alternatives, Mr. Speaker. Coal has gone out of style, although I think it is coming back fast because we have abundant resources in this country, in Alberta and British Columbia. We should be bullish with our nuclear policy. I hope the scientists will unlock the mysteries of solar energy and those of human and animal waste. These are the alternatives we have, and I think the people of this country have made up their minds that we are not going to be caught off base again, we are not going to be so vulnerable again and submit to the blackmail of oil politics. We have the resources and we use them for our enlightened self-interest.

I spoke to the Centre for InterAmerican Studies in New York last week and tried to explain the Canadian views on these resources as I saw them and as I am expressing them here tonight. Nobody thought this was silly. As a matter of fact, they thought we were silly for not doing it sooner. It simply requires the consensus that we have in this House and across the country. Mr. Speaker, I think with this spirit that I see exemplified here tonight we can go on to much bigger and much better things, and a richer life using our resources intelligently and controlling them in our own best interests; and I think in that we will have the support of all Canadians.

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, there is great concern about the energy crisis in Canada and nowhere is this more evident than in eastern Canada. The irony of the Canadian energy crisis is that it does not stem solely from the problems of supply and demand. Canada has the unique distinction of being one of the only industrialized nations in the world which can claim to be