

Petroleum Products Controls

bodies warm. That is the essential part of policy. Do not distract us entirely with this issue of how much they are making. They are not doing too badly. I simply point out that the essence of policy making at this time is to see if we can come up with some sort of decision that is clear-cut for the producer and the consumer. The national oil policy of 1961 is not the law of the Medes and Persians. It is a flexible thing and should be looked at in that way.

I condemned the minister by inference for going into this OECD deal and saying he would not make special deals with Venezuela or Nigeria. He now realizes his mistake and will look into the matter. I support him in this. Venezuela is a friend of Canada, but will only deal government to government. Nigeria is a different case. There you can deal with different owners of concessions. At the present time, 100,000 barrels a day of sweet oil is available to Canada from Nigeria, but somebody has to make the move. Ontario has to help us decide whether that Ottawa Valley line should be moved west or east, whether that area is going to stay in the Canadian supply orbit or the world supply orbit. All I can say is that that area has not suffered too badly this last number of years.

● (1630)

In 1961, the national oil policy was based simply on the facts of that time. We wanted our exports from the west to balance our imports on the east. Those balances were kept by private companies. The United States government was actually opposed to the import of Canadian oil into the United States. It tried to stop it in 1959 by imposing mandatory quotas. We laid down unilaterally an oil policy which said that exports should balance imports, and private industry, by trading off quotas, reached that balance. We have provided Ontario with security of markets at a slight premium over the Montreal price. At this moment in time they are negotiating in Vienna for a price increase of 30 to 40 cents a barrel and by the end of this year prices in Montreal of offshore oil will be above western oil prices or Chicago prices. A fair estimate of the price per barrel for offshore oil by 1975 is \$5 per barrel. Do you want to wire those Quebec and Ontario people into that price of oil? I would like to hear more about what price will be set for western oil, to be fair.

I want you, Mr. Speaker, to remember, too, that this oil in British Columbia, Alberta and Saskatchewan belongs to the people of those provinces. They will have something to say. They can stop the export of oil from those areas if they wish. I think this Ottawa Valley line should be left open. I would like to talk to the people of Quebec and offer to them, if they wish a policy of building a pipeline right down into Montreal, via the Toronto area, but one which would back up into North Bay and Sudbury, Sault Ste. Marie, even. If we do discover oil offshore in the Atlantic, we could bring it up that line to under-developed parts of Canada. In the meantime, such a pipeline would be a guarantee to the Montreal people that at least half their needs would be provided. Certainly, western oil would be cheaper than offshore oil by the time that line is completed. I would like to leave that decision open, and I think the hon. member for Nanaimo-Cowichan-The Islands would like to leave it that way, too. At least we want the government to move. That is the main thing we have in common.

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

On the question of gasoline exports, I would hate to think it is anything more than a regional policy, or a short-term policy at best. Many parts of Canada, I am talking now about Newfoundland, Cape Breton as part of Nova Scotia, and New Brunswick, have waited for years to get more processing and more jobs in Canada. No opportunity has come to Canada until recently. This type of policy suggest by the NDP would cut off exports completely. I think, on that point, that if you want to talk rationally with us about some sort of regional policy on gasoline there would be some sense in temporary controls. I would like to put that forward. I have a series of questions about such a policy in the long range. I believe the policy you are suggesting would destroy all that the government was trying to do, because the government was trying to get more processing in Canada. If we look after our basic needs, we can be very open about that question. I do have questions here about the licensing procedures, but they are purely housekeeping and I will let them go.

The two-price system for gas has been in effect ever since the beginning, by reason of the common carriage principle—I know that gas is not a common carrier but I am using that phrase—

The Acting Speaker (Mr. Laniel): Order, please. I regret I must interrupt the hon. member because the time allotted to him has expired. Unless there is unanimous consent, he cannot continue.

Mr. Macdonald (Rosedale): Continue.

The Acting Speaker (Mr. Laniel): Is that agreed?

Some hon. Members: Agreed.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I shall not abuse the privilege extended to me by the House, Mr. Speaker. I was just about finished. I was about to say we have had the two-price system for gas by reason of the common carrier principle because they used the zone system of prices, and we certainly had it on the export differential of 5 per cent. I would like to hear some discussion as to whether this export differential which is now governed by regulations of the National Energy Board, should be made 10 per cent or something like that. If you put it too high I am sure you would have a lot of static from the producer, who would feel he was being discriminated against. But that policy principle has been established and I think it should be re-opened for discussion.

Oil has always had only the protection of the common carrier price differential. There has never been any control by government in the United States or Canada on price, and the announcement made by the minister the other day is very significant. But once again this should be approached very cautiously and a lot of questions have to be asked. I would question quite frankly the wisdom of trying to keep us too far out of touch with the world price. But once again I have over-used my time and I will not impose upon the House.

I think I have said enough about the Ottawa Valley line to keep the question open until we find out what Eastern people want. I want to conclude in the same tone as the hon. member for Nanaimo-Cowichan-The Islands conclud-