

*Oil and Gas*

**Mr. Douglas:** Although the Premier of Alberta says that this has cost Alberta \$300 million a year, may I remind you, Mr. Speaker, that the government of Alberta is actually losing only \$60 million. I support the idea of the federal government's fully reimbursing that province and turning back to the producing provinces the export tax. What the premier does not point out is that \$240 million would have gone to the oil companies. If the oil companies had been allowed to raise by 40 cents per barrel the price of domestically consumed oil, Canadian consumers would have paid another \$72 million a year.

**Mr. Lambert (Edmonton West):** This is crazy. The hon. member is all wrong.

**Mr. Douglas:** Therefore, Mr. Speaker, we support maintaining the export tax in order to protect Canadian consumers from rising prices. The minister also said that the government is prepared to consider applications for increasing the price of heating fuels. This would apply west of the Ottawa Valley. The government would consider that, the minister said, in order to offset the tendency for such supplies to move out of the area. I hope the minister will explain that in the question period.

For instance, I do not know how supplies of heating oil could move out of British Columbia unless the government is going to allow that province to export such fuels to the United States. I do not know how such fuels would move out of the Prairies. There might be some such movement out of Ontario, but I would point out that west of the Ottawa Valley, and certainly in most of Ontario, it is possible to get all the western crude you need, and the people in that region can process all the heating fuel they need. Therefore, I think this permission for oil companies to raise the price of heating oil west of the Ottawa Valley is totally uncalled for.

Let me deal with another matter. The two problems which face eastern Canada have to do with providing some protection against price increases and, secondly, continuity of supply. I point out that the minister has not offered any solution. He merely says that he is prepared to let the oil companies raise the price to the consumer, and that price increase is to be proportionate to the proven increase which the companies must pay for crude oil. Certainly, as Venezuelan oil is going up in price there is no doubt that the consumers of eastern Canada will pay much higher prices for oil this coming winter.

On the matter of continuity of supply the minister had nothing to offer. He merely said that the government will continue to watch the situation carefully. That certainly will inspire confidence in those who are worried about oil shortages this coming winter. He is also going to set up a technical advisory committee which will look at petroleum supply and demand. One of its tasks will be, as the minister says, advising as to the outlook in this field. I submit that the best advice they will be able to give Canadians is: Dig out your red flannel underwear.

**Mr. Macdonald (Rosedale):** Your Stanfields.

● (2040)

**Mr. Douglas:** Surely we ought to be dealing with the problems of protection of price and continuity of supply

[Mr. Lambert (Edmonton West).]

on a Canadian basis. We in this party have been pressing the minister for the setting up of a national petroleum corporation, one of whose purposes would be that it would function as the sole purchaser and marketer of oil in Canada.

**Some hon. Members:** Hear, hear!

**Mr. Douglas:** It would enter into bilateral agreements with oil producing countries. It would also purchase the domestic oil. It would distribute and allocate that oil. Such a corporation would be able to pool the oil resources and standardize prices so that the people of Canada who use oil, no matter whether it came from the Middle East, Venezuela or western Canada, would have not the same price but a standardized basic price plus the cost of transportation. That is the kind of policy we ought to have. It is rather significant that in a brief which the minister took to cabinet around April 10 or 12, the minister's own department suggested setting up such a national petroleum corporation. When the National Energy Board report came out, it was hashed over and watered down. It listed the advantages, and three times as many disadvantages.

I am convinced there are people in the minister's department and in the National Energy Board—and to a large extent the minister himself—who recognize the inevitability of establishing a national petroleum corporation to pool the oil resources that are available to the Canadian people, whether domestic or imported, to provide for some price standardization and guaranteed continuity of supply. I strongly suspect the reason we had to wait all day instead of getting a report at two o'clock or five o'clock this afternoon is that the minister was pushing for such a national petroleum corporation. I have the feeling he was clobbered by the neanderthals in his department.

**Some hon. Members:** Hear, hear!

**Mr. Lambert (Edmonton West):** They are like the great men of Saskatchewan. You lost the oil industry.

**Some hon. Members:** Oh, oh!

**The Acting Speaker (Mr. Laniel):** Order, please.

**Mr. Douglas:** The oil sheik from Edmonton is talking from his seat. If he wants to make a speech, he will have lots of opportunity to make it. He was for years the apologist in this House for the oil industry. The hon. member for Qu'Appelle-Moose Mountain accused the New Democratic Party of supporting the government on its oil policy. One of the reasons I did that is that I would have nightmares if I thought the hon. member for Edmonton West (Mr. Lambert) was in charge of it.

**Some hon. Members:** Hear, hear!

**Mr. Lambert (Edmonton West):** People left you in the tens and twenties of thousands.

**Mr. Douglas:** I shall not keep replying to the hon. member for Edmonton West. A former prime minister made him a cabinet minister. It lasted only two months. That was the wisest decision ever made in history.