

Supplementary Estimates

Mr. Chrétien: The bill was distributed on the other side before this side.

Mr. Knowles (Winnipeg North Centre): What we have on this side is the pay increase bill, and I do not want that.

Mr. Speaker: Is Bill C-45 the bill that has been distributed to hon. members?

Mr. Chrétien: It is the bill based on the supplementary estimate.

Mr. Peters: This just goes to show that I will not be out of order, at least until we get the bill.

Mr. Chrétien: Mr. Speaker, I think the hon. member should wait to see the bill before he speaks, as he is creating the impression that he is talking about something of which he now knows nothing.

Mr. Knowles (Winnipeg North Centre): If he can speak for 20 minutes without seeing the bill—

Some hon. Members: Maybe for five hours.

Mr. Peters: Don't tempt me.

Mr. Knowles (Winnipeg North Centre): Perhaps I should remind the House that the hon. member is the first to reply following a government minister having moved the bill, so he has unlimited time.

Mr. Peters: Mr. Speaker, I am concerned about the amount of discussion that has taken place during the last few months between the federal and provincial governments on the allocation of our remaining reserves. There has been an indication that these reserves are much less than anticipated. Recent figures indicate that probably the supply of gas and oil from conventional sources in western Canada amounts to less than eight or nine years' supply.

We should always consider the quality of things, but it seems to me that we should earmark some of this money for the development of an all-Canadian transportation facility, which would allow us to move feed stocks of crude from the west to the east, and also from the east to the west when the necessity arises.

It is now estimated that oil will cost far in excess of anything anticipated when the oil crisis developed. We have now reached the stage where the Syncrude plant, which was to cost \$800 million, is now estimated to involve something in the realm of \$2 billion. As a result of the situation today we will be paying a great deal more for oil than \$8.50 a barrel which is the Alberta suggested price for next year.

Because of the situation as it is developing, it probably will be financially advantageous to be able to move oil to western Canada as well as moving western oil to the east as is now the case. Having regard to this allocation of money to equalize the opportunities for consumption of oil as between the east and the west, we should be giving immediate consideration to the development of a trans Canada pipeline facility which is capable of reversing the flows so that we can pump crude from the Montreal harbour to western Canada if the need arises.

[Mr. Knowles (Winnipeg North Centre).]

Canadians have always considered that we have an unlimited supply of petroleum. Most of us remember that only a few years ago westerners were begging us to increase our markets and to provide all kinds of concessions to allow the cheap export of petroleum to the United States. At the same time the United States was being pressed to buy our low cost oil. Americans were willing to pay the Louisiana price plus the cost of transportation. That price was being used as the yardstick for the cost of crude at the Sarnia refinery and beyond to eastern markets.

Canadians over the years have not been aware of the possibility of a shortfall in crude or that our oil wells would eventually run out. The idea has been developed in most parts of Canada that we have an unlimited supply, and that no consideration should be given in terms of developing a long-term program. We constructed the line from Emerson to Sarnia via the United States with the stipulation that the United States would get 50 per cent. It is my information that there is no additional capacity in that line even if we had the additional oil to move through a new Sarnia to Montreal line. I understand that we are not even meeting the needs of the Sarnia refinery and the requirements for Toronto.

With the changes that have taken place it seems to me that the federal government should be searching for a means of equalizing the opportunities for all Canadians in respect of the consumption of oil. Perhaps we need a totally owned Canadian line commencing at a deep sea port on the east coast. Surely we have the technical know-how and the facilities to construct such a line. We have the know-how to keep the Montreal harbour open almost year round, so it would be possible to bring in crude to Montreal for transmission west. We could use our present icebreaking equipment for that purpose.

More and more U.S. House representatives are suggesting a surtax on the Portland to Montreal line, thus it seems that we require an alternative method of transporting oil to our refineries. If we project our minds ahead seven or eight years to the time when there is no longer a surplus of oil in western Canada beyond its own refinery requirements, leaving aside the Syncrude and synthetic production, it seems we should be thinking now about putting money aside for these other development purposes.

It would seem to me to be necessary, for us to establish a fairly reasonably sized pipeline across Canada to carry oil. I think that we have the know-how, and we certainly have the ability to put in such an oil pipeline. We should start on this immediately because undoubtedly we will need to run oil from the eastern market to the western market, probably within the next ten years.

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I see no reason why we do not face up the problem. It is a fact that Canadians will have to pay more money for gas and oil, and that we will have to develop immediately some type of alternative energy source in Canada to supply many of our needs. Most likely we will have to develop electricity and nuclear power generating stations, but we will also have to develop some totally new sources of energy. I think that one of sources will have to be coal,