

Energy Supplies Emergency Act

NDP held out when considering whether to support the government on December 10. I suggest that the NDP wants more than this. Ideally, it wants a permanent freeze in connection with the price of petroleum products in this country. I often wonder who that party thinks it is fooling when it takes stands of this kind, because if you follow that policy to its logical conclusion it would have a great effect on a number of wage earners who are supposed to be close to the heart of the NDP.

If you maintain a price freeze over an extended period, surely the wages, salaries and other benefits paid to the employees of the oil companies and the distributing system will have to suffer the same freeze. I find it strange that the NDP should be coming out in favour of a wage freeze affecting the membership of oil, atomic and chemical workers' unions in this country. I wonder what Mr. Reimer will say about that. That is the natural result of the policy proposed by the New Democratic Party, though they do not look at that side of the question when they make their ridiculous statements.

● (1700)

In discussing the whole subject of energy and the crisis facing the country today there has to be a fairly wide latitude allowed in debate, particularly in view of the speech made by the right hon. Prime Minister on December 6. The Prime Minister did not stick to the point of the bill at all but announced the formation of a national oil corporation and various other things having very little to do with Bill C-236.

I presume I am subject to the same rules as the Prime Minister, so I should like first of all to put some facts on the record concerning what happens on an average day in the petroleum industry of Canada. I speak of the average day in 1972, the latest period for which I have figures. I think it is important hon. members know the nature of the industry and the problem with which we are dealing. If there is one thing I have learned since being here, it is that there is not a wide understanding of the problems facing Canada in ensuring efficient operation of the husbanding of our natural resources.

On an average day in 1972, Canadian oil wells produced 1.5 million barrels of crude oil. Total Canadian liquid hydrocarbon production, including crude oil and natural gas liquids, was 1.8 million barrels. Canadian gas wells produced 8.2 billion cubic feet of raw gas. Canadian natural gas processors produced 18,200 long tons of elemental sulphur. Canada's inventories of elemental sulphur grew by 9,159 long tons. The petroleum industry spent \$4.9 million in the search for, development and production of oil and gas in Canada.

The explorers and producers paid \$1.2 million, which amounted to 24½ per cent of their expenditures, to governments in the form of royalties, bonuses and rentals, in addition to corporate income tax. Oil companies collected on behalf of federal and provincial governments \$3.8 million in motor fuel taxes. Producers received \$6 million for the sale of crude oil and natural gas and its by-products. Some 275,000 people were employed by the petroleum and natural gas industries and earned approximately \$3.3 million. These are the 275,000 people whose incomes the members of the New Democratic Party would like to see frozen.

[Mr. Schumacher.]

I think this is a significant number of the workers of this country.

Drillers completed 10.5 wells and drilled 38,900 feet of holes in Canada. Canadian refineries processed 1.5 million barrels of refinery feedstock. Canadians consumed 1.6 million barrels of petroleum products. Canadians burned 3.1 billion cubic feet of natural gas. New motor vehicles coming on to Canadian roads numbered 2,912, and motorists used 17.6 million gallons of gasoline. Aircraft consumed 1.9 million gallons of aviation fuel. The average cost per person for all energy used in Canada for lighting, heating, transportation and production of goods was about \$1. Canadian pipelines moved 2.5 million barrels of liquids and 6.3 billion cubic feet of natural gas. Canada imported energy materials worth \$2.9 million. Canada exported energy materials worth \$4.8 million. All of these are daily figures, Mr. Speaker, so you can see it is apparent we are dealing with large numbers.

In order to continue this rate of production, it becomes obvious that a great deal of money is going to be required. In his speech on December 6 the Prime Minister said that one of the important things that the government was going to do was to form a national oil company, which we could expect to hear about in more detail at the next session. At this stage may I point out that if this proposed national oil company operates in any way like the Panarctic oil company in which the government of Canada has a 45 per cent interest, then we might not expect very good results.

I say that for the following reasons. While Panarctic has been very successful in establishing Canadian sovereignty in the Arctic islands, which I think was the prime reason for setting up the corporation, and while it has had fairly successful experience in regard to finding natural gas, for which I suppose we have to be thankful though there is very little likelihood we will ever be able to transship this natural gas under present government policies, the company has also made bids for drilling rights off Norway in the North Sea, in the South China Sea near Viet Nam, and in Colombia, South America.

I suppose that the proposed national oil company will be called "Oil Can", in the same way that Statistics Canada is called "Stat Can", using the kind of jargon we get used to around here, though I do not know whether there will ever be any oil in the can. But I suggest that this new company will not be too successful in providing any oil reserves that might be the subject of allocation under this particular bill, if it is ever passed into law, if the company behaves in the way Panarctic has behaved.

Speaking of offshore developments, it is becoming painfully obvious that if present government policies are allowed to continue there are going to be fewer and fewer companies exploring for oil. For example, small oil companies in the province of Alberta are now deciding it is not in their interest to continue operations. I think of one particular oil company which announced during the last two weeks it was closing down operations in Alberta and in Canada at the end of the year. This company employs 28 people who reside in the city of Calgary, and these people were advised early this month that at the end of the year the company was suspending operations and they were to treat that announcement as notice.