

pipeline to Montreal, and that was higher than the posted international price.

The report referred to today by the hon. member for Nanaimo-Cowichan-The Islands pointed out that in fact we have been paying 30 cents a barrel more for crude than the international price. It is not just the people of Ontario, but the people of all Canada, no matter whether they have used domestic or offshore supplies, who have paid for the national policy. We have been willing to pay for it because we all recognized that the western oil producing provinces of Canada needed consideration at a time when they could not find outlets for their oil.

● (1730)

As an aside, let me say that when we start talking about restricting supplies of oil to the United States and someone gets up and says, "Isn't it terrible; just look at what you are doing to our American neighbours," we should look back 10 or 15 years to the time when we could not sell our crude in that country. They did not want our oil. There was not a great deal of outcry in Canada. The time may come when we will not be in a position to sell western Canadian oil to the United States because we will have to ensure our own supplies. When that time comes, let us not talk about how bad a neighbour we shall be: if that time ever comes, let us think back to the way we were treated when we thought we desperately needed that market for our crude oil.

I think Ontario, along with the rest of Canada, has been willing to pay higher prices for gasoline and for the chemicals that come from crude petroleum. Higher petroleum prices have had an important bearing on the performance of our petrochemical industry which is an important and growing industry. The performance of that industry in this country depends to a great extent on the price of Canadian crude. So for years not only has the average consumer had to pay more for gasoline, but the entire petrochemical industry has had to pay higher prices for its supplies. Those supplies were maintained at higher prices by a tariff that was imposed on supplies imported into Canada. Consequently, we substantially disadvantaged that industry.

As I say, on balance we probably had to do it. The national oil policy, despite all its faults, probably created the opportunity for the accelerated development of the whole industry. But let there be no talk about Ontario being on Alberta's back; such statements would imply there are short memories in this country. Ontario is not guiltless. Westerners have many grievances against the east and some of them are legitimate; and we recognize that. When the people of Ontario look at the national oil policy they should bear in mind the grievances of westerners. They are willing to accommodate themselves to those policies in the hope that it will help western Canada.

Western grievances involving tariffs and transportation are legitimate and real. Let me repeat the point I am trying to make in my remarks, that there is a need for adequate solutions in this whole area. Obviously, we are not going to find an answer, because the entire policy is breaking down. The people of this country, so rich in raw materials and natural resources, are in danger of facing supply shortages. That is an incredible situation. We are in

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danger of having to pay enormous prices for those things which are to be found in our own country, because of the arbitrary marketing decisions of international oil companies acting in collusion with a province.

When the hon. member for Nanaimo-Cowichan-The Islands spoke of the west, he had a right to speak about it. After all, he was for many years premier of a great province. I am sure when he says that the oil belongs to Canadians, he will find a harmonious echo of his remarks in the great province of Saskatchewan. That province has oil. I hope that the attitude in Saskatchewan is somewhat different from the attitude in another province.

This difficulty must be resolved. It will not be resolved simply by saying, "We are going to take over all the oil, and Alberta be damned." I think Alberta can produce good arguments in support of its position, and these must be taken into account. Parliament must take the initiative to deal with these questions, and not the National Energy Board. Although the National Energy Board may be competent in a technical sense to make decisions about pipelines or about export arrangements under our present national oil policy, it is not competent to review or bring in a new kind of oil policy that is required in this country.

What can the federal government do in this field? First, it must say unequivocally that matters of energy and transportation are so vital to this country that they must come under federal control, and that the federal government alone is in the position to establish national priorities. We have done this before. Unless there are assured sources of energy supplies both in terms of quantity and cost, we will not be able to overcome some of the inherent disadvantages this country faces in the provision of jobs for our people. We developed a national transportation system in response to the same kind of dilemma and problem. We now need a national oil, gas and general energy policy as well. We will need to make some trade-offs; we will need to make some arrangements with the provinces which will make this acceptable.

What are some of the things we can do in this area? I find it hard to understand, with all the oil and natural gas we have in the west, with the intelligent population we have and with the funds at our disposal, when we have to bring crude petroleum into Ontario and refine it in Ontario, or why we should be selling crude oil to the United States to be refined there. If there is a disposition on the part of the western provinces to do more processing, then it is highly advisable for that processing to be done there in order to encourage refining as a major industry in the west.

I am talking not only of fuel oil to be turned into gasoline but also of the creation of feedstocks. We need feedstocks for the chemical industry. In the west, plants that would be significant on a world scale ought to be constructed. If we are to do any selling internationally of oil and gas, why should we not sell it in a more processed form instead of simply shipping out so many barrels of crude oil? Why should we do this in a most elementary and simplistic way? I think a policy could be developed that would be satisfactory to the west. Certainly it is something we ought to discuss with them.

There is another aspect of policy that we must examine. Newfoundland obviously wants to get into the refining