

*Oil and Petroleum*

What consensus has there been in respect of the budget? What consensus has there been in this government's dealings with the provinces? I suggest there is no consensus because that is not what the government is after. This government is after control. What will happen if it gets control? Let us look at that matter. We have a constitution which outlines who owns natural resources, but apparently that does not matter much to this government because, notwithstanding the constitution, it intends to exercise control. Let us consider the situation to see whether there are non-legal considerations to justify the federal government taking control of natural resources.

To begin with, the government does have control over federal land north of the sixtieth parallel. This government argues that it has control over offshore resources as well. Certainly it has control over some aspects offshore. In April, 1970, the federal government withdrew land use regulations pertaining to lands under federal jurisdiction. That is over four years ago, and there have been no regulations and no royalty structure pertaining to lands under federal jurisdiction since then. These are the lands from which we will have to produce the oil and gas Canadians will need within a decade.

How competent is this government in administering that land under its jurisdiction? There has been no regulation and no royalty structure in respect of those lands for over four years. What in the blazes is holding this government back? How does it expect industry to operate when it does not explain the rules? How does the government expect anyone to invest millions and even billions of dollars when there are no regulations and the administration is as shoddy as it is?

What has been happening in terms of the industry in the last two years? In 1973 things looked bright and promising. There was great expectation in the industry in terms of exploration. Then we had the initiatives of this government. What have we today? According to a news report of the Canadian Petroleum Association there will be a drop-off to the extent of \$900 million in exploration and development compared with what was predicted at the first of the year. The Prime Minister indicated in January of this year that we would require at least \$3 billion capital investment in exploration and development to remain self-sufficient. So far we are down to about one-third of that and evidently this government does not care.

The Minister of Finance says the next move is up to the provinces. Somebody ought to explain to him that these companies are not carrying out exploration on provincially administered land. Imperial Oil indicated it was cutting back \$100 million in its exploration budget. Imperial Oil has not explored in Alberta for a number of years: its entire exploration work is being conducted on federally administered land. I suggest its decision was taken as a result of the last budget and this bill; it was not taken as a result of any action by Alberta. Shell Oil and most other petroleum companies have not explored in Alberta for years. The supply of oil and gas other than conventional in Canada will have to come from federally administered land and that is where the cutback in exploration budgets is occurring.

The Minister of Finance is inconsistent when he states that the next move is up to the provincial governments. He

is totally ignoring what is happening and I think it is time he and the Minister of Energy, Mines and Resources made it their business to find out who in this country is responsible for making sure we have enough oil and gas to remain self-sufficient. Evidently the government does not care. What is more important to the government is who is going to get the biggest chunk of the pie. We can freeze in the dark so far as this government is concerned.

Where does this government expect the 170,000 barrels a day for the Polysar plant in Sarnia will come from, when we have cutbacks in exploration and development such as have taken place? Are we to import this oil from the Arabs? If we do, it will be the highest priced plastic in the world, and where would we sell such a product? So much is happening by way of reduction in the activities of this industry that any Canadian who has the slightest concern for the future of this country has to be deeply troubled and frustrated. Any Canadian with a modicum of intelligence must appreciate that solutions will not result from continued confrontation because the battle will simply be accelerated.

The federal government wants this bill passed so it will have a club with which to beat the provinces. The next thing will be that the provinces will take legislative initiative, then the federal government will do something else, followed by additional action on the part of the provinces. What will happen to the people of Canada? Apparently that is immaterial and the only thing that is important is power and control. That is absurd. It is about time we had a minister who is concerned about the energy supply in this country and it is about time we had a minister who is concerned about the potential of Canada.

Instead of people being concerned about their jobs in the energy industry, they should be looking forward to a tremendous future. What an opportunity we have in this country, because it is still the only country in the industrialized western world that is self-sufficient and has the potential to remain self-sufficient, yet this is the only country experiencing a decrease in exploration and development activity. What an incredible situation that is. How can this government blithely sit back and say that the next move is up to the provinces? When is the government going to accept its responsibility?

The worst thing we could do to this country is pass this bill with the veto clause. This will guarantee continued confrontation. The passage of this bill will just whet the government's appetite for power and control. It will then have control over oil and gas and the next thing will be coal, then electricity and then everything else. Then we will have the same people in control who have not been able to produce land use regulations for the north for four years. What an absurd situation, to say nothing of the fact that this clause is constitutionally illegal.

● (1540)

Mr. Chairman, any Canadian who is concerned about the loss of opportunity we are experiencing must be frustrated, bitter and disappointed. We as a party and, I think, most thinking Canadians request in the strongest terms, plead with and beg the federal government to stop these confrontation tactics, to stop grabbing for power and to sit down and negotiate openly, declaring everything rather