

Oil Policy

and other petroleum products into the area west of the Ottawa River which was supposed to be reserved for Canadian oil, and up to date have never had satisfactory answers.

In his statement the minister says that the market in Ontario which is supposed to be reserved for western oil "is now being jeopardized by the risk of increasing movements of foreign-origin product into Ontario west of the Ottawa Valley." I must say that it has taken a long time for the government to wake up to a situation which has been one of very great concern to western oil producers for the past three years. The flow of foreign gasoline in particular into this area has been increasing at a very rapid rate for the last two years, and I fail to understand why the government has hesitated so long before taking action. However, as I said at the beginning, Mr. Speaker, I trust that the minister's announcement means that action is now to be taken to ensure that the provisions of the national oil policy are carried out.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, it is unfortunate that the minister did not give us more information about the reasons for taking this step but I think it is predicated on two main theses. The first is that the national oil policy is becoming increasingly obsolete in light of the greatly increased capacity for oil production in western Canada. Hon. members will recall that under the original national oil policy western crude was to have a fairly free field in the American market. There was also to be a line of demarcation at the Ottawa River, and east of the Ottawa River offshore or foreign crude would enjoy most of the market. However, the increasing capacity for producing oil in western Canada made it necessary for the western oil industry to send more oil to the United States.

The second problem that has arisen is that the President of the United States recently imposed very rigid restrictions on the importation of Canadian oil into the western states of that country. I was glad to see that in a recent speech in Washington the Minister of Energy, Mines and Resources said that he thought the President's decision in that regard was a mistake.

The action now being taken by the government would appear to be in response to the President's decision in order to safeguard

[Mr. Harkness.]

some of the markets in eastern Canada for western crude. It may help to some extent, but I suggest to the minister that there should be a complete revision of the national oil policy very soon. For a long time we in this party have urged the minister to use all the powers at his disposal to extend the oil pipeline east to Montreal so that Canadian crude can have the eastern market in order to allow oil wells in western Canada to operate at a much higher capacity than at the present time.

The immediate step which the minister has taken to in an attempt to resolve the situation certainly will not be the complete solution. We look forward to the minister making a fuller statement and introducing a revised national oil policy in the near future.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, here we can say better late than never. This afternoon the minister has made a statement on the protection of the development of our natural resources, particularly our oil resources.

The minister said and I quote:

—the enforcement of the national oil policy which has now been in effect since 1961.

The national oil policy is now being jeopardized by the risk of increasing movements of foreign-origin products into Ontario west of the Ottawa Valley.

As the minister said, there is no doubt that the western Canadian oil industry has flourished since 1961. It is of course in the interest of all Canadians that the national oil policy be maintained so that the industry may continue to thrive and prosper.

Mr. Speaker, as the leader of the New Democratic party (Mr. Douglas) said earlier, we feel the government must take steps and revise the law, if necessary, in order to protect our natural resources and their development in the interest of Canadians.

We do not suggest to cease all foreign trade, far from it, but the prime concern of a government should be to make sure that our industries and the Canadian people benefit as much as possible from the development of our natural resources.

Therefore, we support the action taken by the government. It may be a little late but, I repeat, better late than never.