

tremendously the value of their assets. This committee should stop and think for a moment about what has happened to the assets they now have in the ground, ten billion barrels of oil which have increased in value by \$6.50 a barrel. If we are to allow them to milk the consumers in order to increase even further the value of their assets and allow them to deduct that amount from their taxes, then what we will be doing will be making the consumers and the taxpayers of Canada pay for the discovery of oil resources which, in the final analysis, will belong to the same multinational corporations which control 91 per cent of the oil resources of this country at the present time.

● (1610)

That, Mr. Chairman, is why we have been very much concerned about this legislation. It is not because we object to the principle of an export charge, but because the government has given no indication of the price structure upon which the charge will be levied. The government has given us no idea what its intentions are, and the minister says he cannot give us any information until after the first ministers' conference. Therefore, I think the minister is taking the wise course in delaying discussion and decision in respect of the export charge until after the first ministers' conference has reached some agreement.

The matter we are discussing, will be discussing further today and will be discussing when the minister brings back legislation for an export charge, is very fundamental to this country. If what has happened in this country, and in other countries in recent months, is any indication of how vital oil supplies are in respect of the survival of a nation, this surely ought to awaken us to the need for a national oil policy which must concern itself with three things. First of all, it must concern itself with supply. As I have said in this House very often, we are one of the few countries in the world which can produce sufficient oil to meet our needs. However, the problem of supply has been difficult because of the policy which my Conservative friends adopted in 1961 by which more than a third of Canada is entirely dependant on imported oil and by which we committed ourselves to export 60 per cent of our oil supplies to the United States. That situation will have to be rectified.

When the Leader of the Opposition and other members talk about making Canada self-sufficient in oil I agree with them, but I hope they realize what that means. This means that increasingly we must phase out our export of oil to the United States, not because we want to but because we have no choice, until such a time as the oil sands are developed or another source of oil is found. We are exporting at the present time about one million barrels of oil a day to the United States and were exporting about one and a quarter million barrels a day. Our requirements in eastern Canada are 800,000 barrels a day. We cannot supply eastern Canada and at the same time export one million to one and a quarter million barrels of oil to the United States. We will have to make this decision consciously, and tell our American friends that if we are to become self-sufficient in respect of oil we will have, over a period of years, to phase out our exports to the United States.

#### *Oil Export Tax*

The other thing that policy means is we will have to extend the pipeline not only to Montreal but to the maritime provinces, unless offshore oil should become cheaper than Canadian oil which I do not think anyone in his wildest dream thinks will happen. The OPEC countries are discussing a price of \$20 a barrel and Venezuela is discussing a price of \$18.04 a barrel. So, if we are to supply eastern Canada with oil and protect the consumers in that part of the country against these exorbitant prices for imported oil, we will have to extend the pipeline. I was dismayed today when I heard the Minister of Energy, Mines and Resources say, in answer to a question from the leader of our party, that the National Energy Board probably will not be ready to hear applications until the spring of this year. After those applications have been heard and after a permit is granted, the right-of-way will have to be bought and the pipe manufactured, processed and put in place. I say that if that happens the government had better get ready to move its target date to 1976 rather than 1975. This would mean that eastern Canada would go through two more winters of the kind of uncertainty through which it is going at the present time. I do not think there is any excuse for that kind of delay.

The second matter to be considered in a national oil policy is the whole question of price. We have been concerned about price mainly in respect of the area west of the Ottawa Valley. Thought must now be given to the price problem in eastern Canada. East of the Ottawa Valley, consumers have been at the mercy of the importing oil companies. They have had to pay very high prices. I have suggested on behalf of this party repeatedly that we ought to set up a national petroleum company. The government may call it a national marketing board. We do not care what the terminology is. We should set up a national mechanism for the purchase of domestic and imported oil so that it could be pooled and the price equalized across this country. Until the pipeline is built we should be prepared, out of the federal treasury or out of some of the proceeds from the export charge, to subsidize the price in Quebec and in the Atlantic provinces because I believe the people of Canada have not only a responsibility but a duty to see that the people in eastern Canada are not made to pay exorbitant prices at this time of crisis. I do not think the people west of the Ottawa Valley line would object to pooling the price if they knew that this would make the situation fair for the people east of the Ottawa Valley line. What they would not take kindly to is a raising of the price merely to increase the profits of the oil companies.

The third thing that is necessary in this national oil policy is that we give some thought, when we are discussing the apportionment of the revenue from the export charge, to the setting up of earmarked funds for the development of future oil supplies. If we are not very careful, the time will slip away and we will find ourselves in a crisis situation when the available supplies of conventional oil are not adequate to meet our needs. When that happens there will be a cry for a crash program. I ask members of the committee to mark my words that the day will come when, no matter what government sits on the treasury benches, it will be saying to Parliament and the Canadian people that our oil supplies are diminishing, that international prices are drastically high and that, therefore, we must have a crash program to develop our oil