It might be worth looking at the amount of money that has been invested to get us to our present state of self-sufficiency in oil. Between 1947 and 1963 the industry invested $7,576,000,000; in 1964 it spent another $753.7 million, and after that until 1974 costs went up by about one billion dollars a year until they reached $2,206 million in 1974. There has been no return on that investment to date because, until recently, there was no market for the product and it was selling at distress prices.

Carrying charges have had to be paid on the money invested, and of course there has been inflation. Therefore 9 per cent return on money that has been invested for 25 years is little short of insulting, and would not inspire confidence for the future. Even at 20 per cent for new oil the industry cannot have much confidence in view of the government's record of changing its mind. I would not take its word about anything. I would want a notarized statement, or an ironclad contract before I would have any dealings with people such as the Minister of Energy, Mines and Resources.

This bill is a price fixing mechanism. In view of the government's actions to date we can be sure that it is not going to fix prices which would encourage further development of the petroleum industry in this country. Another aspect that we have to consider is the government's budgetary proposals of last May. It is attempting to expropriate all of the price increases that have been allowed by making it impossible for producing companies to deduct the expenses of their provincial royalties.

The government's pipeline policy consists of a line between Sarnia and Montreal which would carry a quarter of a million barrels a day. That is something less than half the requirement of the Montreal market alone, and represents only about a quarter of our total imports.

It is obvious that the government does not want this country to have a national oil policy in its truest sense, that is, having the country produce and distribute its own oil. It still wants to keep the option open—to allow the eastern market the possibility of getting cheaper oil. I will return to that matter later, Mr. Speaker.

Another part of the government's over-all policy in this regard is its inability to come to grips with the land use regulations which were referred to by the hon. member for Calgary South (Mr. Bawden). We have been without regulations for the offshore and Arctic areas for about four years. It is inconceivable to me how the government can expect anybody to go up there and spend millions of dollars without any assurance of what the return on their money will be, but the people who invest money have shown amazing faith to date.

This bill allows the government to tax oil exported at around $5 per barrel at the present time. The tax started in September, 1973, at 40 cents a barrel. On the one hand we have the example of Canada decrying the actions of the OPEC countries in raising the price of their products at the expense of people in Quebec and eastern Ontario while, at the same time, it demands from the United States the highest price possible, knowing that country requires feedstock for refineries that were built as a result of our pleading with them to take oil in the days before the crisis.

As a Canadian I am not very pleased with some memories of world war II—although perhaps my memories are not too clear because of my age—when we were not self-sufficient in oil and were dependent on the United States. Then, because of world conditions, oil was in short supply. But the United States did not impose an export tax in order to obtain the highest possible price for petroleum. United States prices did not increase at all. They were controlled. The only requirement made of Canada was that we implement a system of rationing similar to that existing in the United States. I do not think we are repaying what we received when we try to extract every last cent from the United States in the present situation. I am not proud of this country's performance in this regard in the last 12 or 14 months.

● (1740)

As I say, the government has proposed a pipeline between Sarnia and Montreal which could carry 250,000 barrels of oil a day. I do not think that would be a wise move. Apparently Interprovincial Pipe Line Company does not think it particularly wise either, as it is dragging its feet in the matter of construction. I do not agree with those in this House who say that the pipeline should be reversible. People who make statements like that are not encouraging the implementation of a national policy with regard to oil. Either we shall become self-sufficient, and we have the resources, or we shall not. If it is government policy that we are not to be self-sufficient, why should the producers of our resources be expected to receive low, controlled prices in time of shortage, but be without protection in times of abundance? That attitude is very selfish on the part of the government, yet that appears to be its policy.

The hon. member for Waterloo-Cambridge (Mr. Saltsman) suggested that Ontario has subsidized western Canada since 1959, when a national oil policy was adopted, by paying two or three cents a gallon more for gasoline. This provided a market for western Canadian crude. He conveniently forgets that these resources were discovered with equipment and material which had mostly been manufactured very close to his riding. That equipment was not sent to western Canada on a subsidized basis. I do not recall people in my constituency buying equipment manufactured in Ontario at prices lower than they could obtain in the U.K. or the U.S.A. There we saw a case of manufacturing industries protected by tariffs making us pay higher prices. On the other hand high freight rates discourage the sale of our commodities in the central Canadian market.

Our industry has not been subsidized. If Ontario has paid a little more for its gasoline, let it remember that it sold goods to western Canada at inflated prices. The oil industry has created many jobs for the people in my hon. friend's constituency for a long time.

I am concerned about the proposed establishment of the national oil company. I understood that, originally, the idea was for this company to explore for oil so that we would become self-sufficient. Apparently the government does not intend to do this. A headline in the Montreal *Star* of yesterday's date reads, "Macdonald etches in role of state firm. PetroCan would buy".