

*Energy*

● (2100)

My Social Credit friends talk about an energy policy. We have seen the downstream power on that river sold for peanuts by the Social Credit party in British Columbia—for about one-third of what they could have got for it at today's prices. They talk about an energy deal and they are critical of the NDP today. They were the ones who negotiated the oil and gas giveaway in Alberta. They negotiated the sales to the multinational corporations, and they were backed up by the Tory Party in this House. It is time the Canadian people got these facts, and got them straight.

Let us take another look at the proud track record of this Tory Party. We are in trouble in Canada, and eastern Canada particularly is in trouble because of a policy laid down by the Conservative Party in 1961 when it set up the Ottawa Valley line and refused to build a pipeline into Montreal and a pipeline to the City of Quebec where the refineries were. If such a pipeline had been built, you would not be in the bind you are in today. An energy crisis was coming in any event, but the turmoil, upset and trouble they are having in the province of Quebec and in eastern Canada today would have been largely mitigated. The situation would be better today if that government had had the foresight 12 years ago to build the pipeline. Our party supported the construction of that line at that time. This is not something new; this has been NDP policy right from the start.

Let us take another look at the track record of this proud Tory Party. If we are to judge them on their oil and gas conservation policy, let us look at it. What happened in 1961, when we had a complete review of the oil and gas regulations governing, for example, exploration in the northern parts of Canada? Some of the regulations that were put on the statute books by previous governments are still there; the Conservative government did not change them.

**Mr. Nielsen:** That is false, and you know it.

**Mr. Harding:** You did not change some of the key ones, let me put it that way. Let me point out one specific regulation that was made in 1961 dealing with oil leases in the north. At one time under the old regulations, if an individual or a company had an oil lease and found oil, a certain percentage of that lease reverted back to the Crown and was put up for sale by auction. When the Tories were in power in 1961, they changed that regulation and allowed the existing company to retain the other part of the lease by paying an increased royalty.

**Mr. Nielsen:** Where did the rest go?

**Mr. Baker:** Tell us the whole story.

**Mr. Harding:** Let me point out that when the gas and oil field at Prudhoe Bay was proven up by the United States and there were billions of dollars at stake, the Liberal government decided it would do away with this 1961 regulation No. 1. They did stop it for a period of time, but then the oil companies got to the government and, I understand, forced them to withdraw the change.

[Mr. Harding.]

I suggest that this government should take a serious look at all the oil and gas regulations in respect of the northern parts of Canada, because if there was ever a sell-out in the history of this nation it took place right in the north. We have our friends telling us that the oil companies need more money and profit to be able to get along. Every penny they spend in exploration is tax deductible. Just two years ago we had statistics given to this House which indicated that on the total book profits of these companies they were paying taxes on only 5.7 per cent of their book profits. This is absolutely scandalous in this day and age. This is an example of free enterprise—yet the Conservatives tell us to look at the record they presented to the House when they were in government. I tell you that it is enough to frighten anyone. No wonder people shy away from the type of policies they suggest we endorse.

Let me give just one or two examples of what oil royalties in the northern parts of Canada mean to Canadians. It must be crystal clear to everyone that a review has to be made of these regulations. In the north, royalties are 5 per cent for the first three years and 10 per cent afterwards. In the state of Alaska royalties are at a flat rate of 20 per cent. In the event a gas line comes down from Prudhoe Bay picking up half the gas from the Prudhoe Bay area and half from the Mackenzie River basin, at the rates we have today of 30 cents per thousand cubic feet, the oil company which controls the gas—and it might be the same company controlling the gas in both areas—over a ten-year period would pay the state of Alaska \$276 million more than it would pay Canada. Yet we are told this is the type of policy that is good for Canada. I suggest to the minister and to the government that they had better take a close look at the set-up in the north, because this situation is bad.

**An hon. Member:** Tell them in caucus.

**Mr. Harding:** There are several suggestions the NDP would like to present during this debate. Our leader made an excellent presentation. When we call for a national energy policy we are not thinking just in terms of oil and gas; we are thinking in terms of water, uranium and other types of energy in Canada. When we are thinking in terms of our sources of energy, we must as a nation make up our mind what is to be our Canadian industrial strategy. Are we going to follow the hackneyed and worn-out policies of the Liberals and the Conservatives over the years and sell the majority of our raw materials to other countries, letting them do the processing and taking hundreds of thousands of jobs from Canadians?

**An hon. Member:** Sell them to Cuba and Chile, I suppose.

**Mr. Harding:** Ever since this party has been in the House of Commons we have been urging that more of our raw materials be processed in this country. Once we get the processing of raw materials within the boundaries of Canada, I suggest we will triple or quadruple the requirement for all types of energy. We must make plans for this; programs have to be laid down. We must know where we are going before we commit our precious oil and gas resources to other countries. One of the difficulties we