

*Energy Supplies Emergency Act*

and to the advantage of all Canadians. I regret to say that if the actions taken by this government in recent months are any indication, we are not going to maximize the advantages to Canadians. We are going to minimize them. Indeed, if the present short-sighted policies continue, one of the great opportunities in Canada's history may have been lost.

I wish to say something about Canada's oil and gas reserves. Utilizing the probability approach to future oil and gas reserves, the geological survey of Canada's assessment of the mean probable oil potential for Canada from conventional production is about 100 billion barrels. About 16 billion barrels of this have been found. A substantial portion of these additional reserves lie in the frontiers of the Canadian Arctic and the offshore areas. In this hostile environment, and with related logistic problems, it must be anticipated that the cost of finding each barrel of oil and each cubic foot of gas will be a great deal more expensive.

In view of the fact that Canada has today some 10 years' supply of oil reserves at projected producing rates, it is imperative that a massive and aggressive search activity take place. In the Prime Minister's speech on Thursday last, he said the government's first priority was to assure necessary fuel supplies to all Canadians this winter no matter what developments took place abroad. This is an essential goal, Mr. Speaker. However, the actions of this government and at times the government's inaction has gone a long way toward threatening the security of supply to Canadians in the future which surely must be an important consideration in long term energy planning.

The Prime Minister on Thursday, December 6 set out what he called his government's new national oil policy. One of his first statements was that we are confident that no Canadian need fear serious shortages of oil and fuel this winter, provided each one of us plays his part and contributes his share. I presume that for the average Canadian this could only mean cooperation by reducing consumption and saving where possible. If the Prime Minister is confident that this is the case, why has the government asked for extreme wartime type powers as provided for in Bill C-236? Of course Canadians will play their part. They always have. Why then is this government, on one hand, saying Canadians need fear no shortages and, on the other, spreading panic and crisis by demanding extreme and excessive power? Is it because the government itself does not know what are the facts? It is no wonder that Canadians are confused by the information they are getting from the Minister of Energy, Mines and Resources.

All that Canadians really want to know are the facts. Because this government is not doing its homework, and because the minister continues to be befuddled, all Canadians have lost confidence in the minister and the government. How could it be otherwise? One day we are on the Saudi-Arabia embargo and the next day we are not. One day the Shaheen refinery crude imports are said to be included in the minister's calculations and a few hours later the minister says they are not. One day we are told that deliveries from the west coast to the east coast are 50,000 barrels a day. A week later, they are 50 per cent higher. The minister told us one day he did not know what volume could be delivered through Ontario to the Quebec

[Mr. Bawden.]

market. Two days later he said 40,000 to 60,000 barrels per day could be delivered in this way. Indeed, a few days later informed transportation companies said that movement of this quantity of western crude oil by land is pure fantasy.

One week the minister is telling the country that the international oil companies are invoking *force majeure* clauses so they can divert supplies of Canadian crude to other countries. The next day the majority of the importing companies are making it clear that *force majeure* can or will only be invoked when oil is cut off by the producing country. I believe that many Canadians are now convinced that the Minister of Energy, Mines and Resources is either terribly stupid or he is deliberately trying to mislead them. Canadians are confused. They do not know the situation. They want the facts. They want the truth. They do not want fantasy. They want to be able to understand the extent of the potential oil problem in this country this winter.

In his remarks in the House on December 6, the Prime Minister made a number of references to prices of petroleum on which I wish to comment. The Prime Minister made reference to maintaining the price of domestically produced oil at the current level at least until the end of this winter. He implied that the price of Canadian crude may very well be frozen permanently. The Prime Minister in his remarks also said, however that the days of cheap energy for Canadians must come to an end. All too often his statements do not seem to agree. He said that, in the long run, we must allow the price of domestically-produced crude oil to rise toward a level high enough to ensure development of the Alberta tar sand and other Canadian resources, but not one bit higher. Who shall determine what is "not one bit higher"? We do not have any information on price from the Prime Minister that will give guidance to Canadians nor to the potential explorers for Canadian resources. If the Prime Minister believes what he says, I wonder how he reconciles this with the position taken by his brothers in the NDP who have said that the price of Canadian crude should never rise. The Prime Minister has given no indication, of whether he agrees nor does he seem inclined to do so.

On the question of crude oil pricing, a few short weeks ago the Minister of Energy, Mines and Resources told Canadians that the government would be prepared to have them pay world prices for western crude oil priced at the Montreal point, but they would not be forced to pay the inflated price in the United States. I wonder whether anyone has explained to the minister that United States prices are now starting to trend below world prices and this difference will likely increase. Is the minister now going to tell us Canadian prices will be tied to United States prices and not world prices? The situation becomes more confusing by the day.

In his speech last Thursday, the Prime Minister gave some indication of understanding that prices, reserves and ultimate supply, are very much inter-related. This leads me to the most critical aspect of the entire energy question. This applies to Canada as well as any other country. Adequate reserves as well as ability to produce and transport those reserves is vital to Canadians in the future. One of the accepted facts in the world search for oil is that