

fyng because it is not clear whether the government of that country will demand that they invest in uneconomic ways.

The food policy the government is talking about seems to imply that farmers should grow food which is cheap for the consumer but which also allows farmers an adequate return. Does this mean that a farmer who makes money raising pigs should invest in more equipment for pork production, or is he entitled, for example, to buy Canada Savings Bonds or take a well-earned holiday in the south?

It is felt by many people that funds from pension plans should be invested in such things as the housing industry where they would earn reduced rates of interest, although communities would benefit from this kind of investment. However, what is the responsibility of oil companies and other companies to their shareholders?

In the 1972 election campaign the matter of so-called corporate bums was raised, but corporations are made up of shareholders, management and workers. When management personnel receive increases in remuneration, those increases are quickly taxed by the Department of National Revenue. The same is true for workers. If a company expands its operations, presumably more workers and more management will be employed.

Are shareholders entitled to a return on their investment? Funds from private pension plans are invested in stocks, bonds and mortgages, and private pension plans bring in only about 3 per cent. If there is such a great amount of money being made in the oil industry, why are pension plans and registered retirement plans not investing in the oil industry? In many instances there is very little response by corporations to shareholders; that is perhaps because governments direct the management of corporations to expand operations in order to create more jobs.

People with private pension plans are finding that their plans are not keeping up with the cost of living, and some argue that government pension plans are better than any private pension plan in this country.

It was mentioned today that the President of the United States has berated American oil companies, implying that they are something akin to thieves. I think he is taking this stance to cover up the lack of an energy policy in the United States. The American energy policy is a mass of inconsistencies and contradictions. The vice president of the United States, Mr. Mondale, was here recently, and he spoke to the Minister of Energy, Mines and Resources (Mr. Gillespie), but many problems were left unsolved. The price of gas flowing through the Alaska pipeline is not clear. In the United States there is argument about whether United States companies should be allowed to buy much needed gas supplies from Mexico and Algeria. The Carter administration does not like the Mexican price, \$2.60 per thousand cubic feet. It also does not like the Algerian price, which is about \$4.50. The Algerian source is considered to be insecure. The American administration is telling United States companies that they may not be allowed to buy it.

Petroleum Statistics

Furthermore, the American administration will not let artificially low domestic prices rise to more realistic international levels. If it did, that would boost domestic exploration and production in the United States, where gas supplies are low. The United States cannot have increased domestic supplies; nor can it increase imports. These contradictions in U.S. energy policy create difficulties for Canada. By roadblocking the Algerian LNG project the American administration is jeopardizing the success of the multimillion dollar processing plant which it is hoped to be built at Lorneville, New Brunswick, and which would give that part of Canada some investment clout.

If \$4.50 for Algerian gas is too expensive for the United States administration—although apparently customers are willing to pay that much—what does that imply for Alaskan gas shipped via the proposed Alaska Highway pipeline? That gas may cost more than \$5.

Regular prices for gas now being sold in the United States range from 50 cents to \$1.50. The President of the United States has implied that he does not foresee the price going beyond \$1.75. How can Alaska Highway pipeline investors raise money when it is unclear what the eventual price will be? Perhaps the minister can tell us whether Mr. Mondale told him how a \$5 Alaskan gas price will be integrated into the American system if the price is to be kept below \$1.75. There seems to me to be no feasible way that Alaskan gas at \$5 can be integrated with lower priced American gas in the near future. Without some arrangement as to how Alaskan gas will be priced, there does not seem to be means whereby we can assess whether the pipeline is viable, at least within the next few years.

• (1612)

Energy was high on the list of topics and the minister has not stated as to whether the Alaskan pipeline will be built in full or how the Americans will get the price so that it can be built without government assistance. I believe last week the hon. member for Hamilton West (Mr. Alexander) suggested that the price of the pipe line could reach \$15 billion to \$20 billion. I do not believe that was disputed. Mr. Speaker, it seems to me the solution lies in the price of energy. It is a difficult one but it is to allow the domestic price to rise to world levels. Whether we like it or not the Arabs seem to have a corner on the world with respect to the supply of oil and gas, and only through a rise in price will we be able to diversify and obtain energy from other sources.

During the Christmas holidays I was very interested to note that in my riding practically everyone has a wood stove now. Previously they were using oil stoves or electric heat. There is no gas in that part of the country. Obviously because wood is plentiful they have solved their heating problems by using this commodity and it is very cheap for them, particularly if they are willing and have the incentive to cut it themselves.

It is also significant to me that Japan, Germany and Switzerland are paying world prices for oil, yet they are the hard currency countries of the world. Share prices in companies in