

Oil and Petroleum

of the difficulties of last fall in the oil market to bring in legislation such as this on a permanent basis.

Madam Speaker, at this point, regardless of the feelings of some of my colleagues and some provincial cabinet ministers, I should like to compliment the minister on the way he has handled and has learned one of the most involved and complicated subjects in the world today, that is, energy in the form of oil and gas. Speaking as one who has spent his life looking at the economics of the oil, gas and related energy industries, I recognize the work the minister has done and yield to no one in paying him a compliment. On the reverse side of the coin, it must be said that some members on my side of the House and, I hope, members on his side, have grave reservations about the government's moving so rapidly and, if I may say so, in a blundering way in the direction of price and wage controls, which is the ultimate thrust of this bill. So in discussing this bill I will put forward some of its principles upon which we all agree.

● (1600)

All parties in this House hope that, with God's grace, we will have energy available for many decades to come and that we will be advantageously placed in this competitive world to provide energy at lower prices for all Canadians. Not only must prices be lower for the benefit of consumers and industry, but they must be lower to attract investment to this country: it will come because we have cheaper energy resources on which to build secondary and tertiary industries. All parties support that principle. This bill will make it possible; we do not dispute that.

I was interested to note that the minister has changed his position with regard to the price level of oil. Most of us think that if the system is to work, the single lower price for all Canadians would need to be increased, over a phased period, to a level within shooting distance of the world price, otherwise intolerable stresses will be built up in the industry. Now the minister says that the price is to be significantly lower. All consumers in Canada back him on that statement. However, he also said that the price must be high enough to attract sufficient investment to this country to ensure a continued supply of oil, gas and other energy resources. That is where the wisdom of Solomon is required.

I hesitate to say flatly that on the basis of evidence available to those representing oil and gas producing areas, the price of \$6.50 will not provide oil and gas in future decades and will enable us to meet the needs of our consumers and industrial concerns. I know that when the minister first entered this ball game he spoke of world prices and prices available at Montreal. Now he suggests that the price is to be significantly lower, which will make every consumer in Canada happy. Yet he says that he hopes the price will be high enough to encourage further production. I do not think any person in this House can pretend to know what that price will be eventually. I am sure the minister feels, as most of us do, that the price of oil will bear some relation to the price of the volume of gas required to provide an equivalent amount of thermal power. The same principle applies to other fuels.

The government and the official opposition have agreed on the principle of bringing in increases by stages so that

our people will not suffer the shock of going from \$3 per barrel—the price at which we have been stealing it from the Arabs for 50 years—up to \$11 per barrel. We all agree that the price should go up, but that there should be a differential between the world price and the Canadian price. It is possible, under this legislation, for that increased price to be reached in stages. This must be done through constant consultation between producing and consuming provinces on a daily or weekly basis, because conditions are changing rapidly.

We also agree on another principle. In this adjustment period when we are moving from \$3 per barrel to whatever the final price will be—it will be related to the energy commodity price level, no doubt—we must provide a cushion for consumers who would otherwise suffer the impact of a sudden increase in offshore oil prices. It has been said in this House that Canadians owe a great debt to the people of Alberta and Saskatchewan who agreed voluntarily to provide the bulk of the oil needed to provide this cushion. You do not read in the newspapers of Quebec, Ontario and the maritime provinces that Alberta and Saskatchewan—have-not provinces only a few short years ago—are subsidizing Canadian consumers of oil, no matter whether they are driving their cars or heating their homes.

These two provinces are subsidizing consumers east of the Ottawa Valley at the rate of \$1,300 million a year. As well, the people of these two western provinces are subsidizing the rest of the people of Canada. The owners of this resource have also subsidized the people of Ontario and those of other consuming provinces. That Canadians are willing to take on the responsibility of subsidizing Canadian consumers of oil, whether they are heating their homes, driving their cars or using it in manufacturing, speaks well of the common bond which hold this nation together.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Although the western provinces have accepted the tremendous burden of subsidizing Canadian consumers of oil to the tune of between \$2.5 billion and \$3 billion a year, this bill does not specify how long the people of those two western provinces must, with their depleting capital resource which is disappearing by the hour, maintain this subsidy. This brings me to my fourth principle, on which I think all parties agree. When we discussed a similar bill last spring, it was suggested that there should be a *quid pro quo* for the provinces which produce oil. The bill of last spring did not mention such a *quid pro quo*. In this new bill, despite all our talk of producing oil from the oil sands and producing natural gas, there is no mention of a *quid pro quo* for the producing provinces.

I know at the meeting of first ministers it was arranged to give back \$100 million to Saskatchewan and a different amount to Alberta. However, by no stretch of the imagination does that meet the full measure of the burden these two provinces are carrying in the interest of national unity.

● (1610)

Last spring the minister heard in committee about amendments that were proposed. They were not laid on