

can see a ten-year supply, a ten-year period during which supply will be adequate to meet Canadian demands."

A year earlier the minister said, "For another decade or longer we could continue to meet export commitments and to meet the growth of the Canadian market." In the energy department's policy for Canada, published in 1973, a 15-year reserve of oil was referred to constantly. These figures did not include the oil sands reserves or northern reserves. In the space of less than a year, what has happened to Canada's oil reserves? I suggest the reason the government has shifted to painting a relatively pessimistic picture—and if it is pessimistic for the nation as a whole, it is particularly pessimistic for Ontario—is that previous estimates of reserves of oil took it for granted that exploration would continue to produce new oil finds roughly equal to our annual consumption. In the past year, however, as a result of government indecision and its quarrels both with the industry and producer provinces, the drilling rigs have pulled out. Little new oil has been found, and the authorities are becoming alarmed. Hence the gloomier picture.

As we consider Bill C-32, let us not attempt to shift the responsibility. This responsibility lies with the government whose failures and lack of foresight have placed us in the position of possible dependency upon foreign oil. Dealing specifically with the bill, I note that in clause 36 the government seeks to infringe further upon the control exercised by the provinces. We are being asked to endorse a price-fixing mechanism which is designed to function with or without provincial agreement. Even though the oil producing provinces withdraw from any pricing agreement they may make with the federal government, the federal government is empowered, under clause 36, to establish the price of oil unilaterally. This is a direct encroachment on provincial rights. Similarly, part III of the bill would allow the federal government to regulate the price of natural gas in a producing province and for export, with or without the agreement of that province—another infringement of the right of a province to control its natural resources.

It is very easy for a member from Ontario, particularly if he is a supporter of the government, to be shortsighted. I understand previous speakers have even referred to this bill as some type of consumer bill. What utter balderdash! If you like, Mr. Chairman, it is a consumer bill in the sense that consumers are going to be cut off from their rightful resources in this country due to bungling and lack of co-operation by this government in its relationship with the provinces.

● (1630)

Mr. Foster: One of the Bay Street boys.

Mr. Stevens: The establishment of price controls must be taken in a spirit of co-operation. Such a move requires broad provincial and federal government consultation. The input of industry in this country and consumer-producer participation should also be an integral part of the formation of such policy. Sole federal control is not the answer, though it is clear evidence of the status quo approach of the federal government. I suggest that the oil and energy resources of this country should not be used by the federal government as a battleground to wrest further

Oil and Petroleum

control or power from the provincial governments. It knows the proper mechanism to use. If the government feels there is some imbalance between federal and provincial authorities, then let it consult the provinces and work out an agreement with them and, if necessary, amend the British North America Act. But let not the consumers of this country, particularly those in Ontario, be victimized by the inept policies of the government.

I say this because without provincial control over price-fixing mechanisms, the producing provinces will be unable adequately to ensure a fair return to the provinces and oil companies which are developing petroleum resources. Without adequate return there will be a marked decrease in exploration activities and a consequent decrease in supply to the consuming provinces. Our main concern is adequate supply for the consumer in Ontario and in the other consuming provinces. The federal government, in its attempts to establish a federal price-fixing mechanism, has created an unhealthy political atmosphere in which the consumer is the ultimate loser. The situation now is that we will be forced to rely increasingly on petroleum imports which, in the proven unstable international political atmosphere of today, can fluctuate and in the end leave the consumer with a shortage of fuel for the winter.

As I have said, Ontario is a land-locked province that is forced to rely on the transportation of petroleum products via pipeline. By failing to ensure construction of the Sarnia-Montreal pipeline through the constantly changing attitude of the Minister of Energy, Mines and Resources and the Prime Minister, the government has failed to ensure security of supply to the Ontario consumer. This pipeline should be built and it should be a reversible pipeline.

I suggest that rather than engage in a dispute with the provinces over the establishment of a price-fixing mechanism, the federal government should be trying to work with the producing provinces to develop policies to conserve petroleum resources through discouraging needless waste, providing incentives for continued exploration, and researching and developing alternate and renewable energy sources. In this connection, the Ontario background papers to the federal-provincial conference of first ministers on energy, held in Ottawa on January 22 and 23 last, made the following statement in relation to the supply problem the province faces this year:

In Ontario, the supply question is dominated by the province's reliance on eastern refineries. While Ontario received all of its crude oil from western Canada, refinery capacity has not been expanded in about four years.

Thus, eastern . . .

That is, mainly Montreal—

. . . refineries provide Ontario with 14 per cent of its motor gasoline, 25 per cent of its light fuel oil and 38 per cent of its heavy fuel oil. The basic supply outlook for Ontario is not known with any degree of certainty. The technical advisory committee of the National Energy Board states that the over-all supply and demand situation for oil products in Ontario this winter will be "in precarious balance".

"This winter" is last winter. The papers go on to say that the price of petroleum products in Ontario will depend on