

*Oil and Petroleum*

certain amount of revenue. So, we are once again back to the old equation.

The question is: how much money will this country need to solve its energy difficulties? The point is that building a two-way pipeline between Sarnia and Montreal requires a great deal of money, money which is in short supply. The question then is: is it necessary to build a two-way pipeline and, is the pipeline in itself necessary? That is a political decision. The oil industry will not build the pipeline if it fears that the government will intervene in the market. It is afraid that it will supply the Montreal market one day, and the next day cheaper oil will come in from the Middle East, Venezuela, Mexico and elsewhere, and undercut the market. So the oil industry will not build a pipeline unless it is given a guarantee that it will provide the oil for the eastern Canadian market. Otherwise the Sarnia-Montreal pipeline may not produce a return on investment.

Actually every major pipeline built in North America has been built under a guarantee that it will be used. A similar guarantee was extended to the Pine Point railway which serves the north. We said that we would guarantee that a certain number of tons would move over that railway every year. Similarly, when the St. Lawrence Seaway was built, guarantees were extended. We said that we guaranteed the movement of a certain tonnage, for a certain charge, through the system each year.

The oil companies are merely saying, "Give us the guarantee and we will build a pipeline; otherwise we shall lack confidence in the stability of the market and will be reluctant to build the pipeline." If that does not make sense to any particular member of this House, I say that he has not invested a dollar in anything and is not worth the pay he is drawing. So, if the pipeline is to be built, the government must extend guarantees that it will be used. That is a political decision.

I will not abuse the courtesy of the House. I appreciate the time which has been made available for me. I shall save further remarks for the budget debate. But let me say that in the previous budget the government undermined confidence when it said that royalties that oil companies pay to provinces will not be deductible from the income tax those oil companies owe the federal government. I will not deal with that subject at present. We shall see the government's position when it brings down the budget on November 18.

Surely the government recognizes the uncertainty which the previous budget created. We shall not solve the mythical equation I alluded to earlier with such budgetary policies. That is not the way to provide the money Canada will need if we are to remain self-sufficient in oil after 1983. I, members of this House, and people across Canada will be listening to the budget on November 18, to see whether the government is willing to help you, me and the rest of Canadians solve the problem of energy.

● (2100)

**Mr. J. P. Nowlan (Annapolis Valley):** Mr. Speaker, I am glad to participate in the debate on Bill C-32, the petroleum administration measure. I have listened to some of the speeches. As this debate progresses to committee of the whole stage, I must say I feel a lot of sympathy with

[Mr. Horner.]

Alice in Wonderland, her reactions to the Mad Hatter and to the perambulations of the animals in the animal kingdom in that story.

We are talking about oil and gas. We are getting heavier in its use and shorter on its supply, be it in Canada or any other part of the world. Yet we get involved in the detailed and constitutional machinations of this petroleum administration bill which, while laudable in one sense by trying to bring some order in a centralized way to the petroleum industry, will be and is divisive. It has already had a negative effect in doing what all countries of the world will have to do for their own survival, that is, build up security of supply. They must try to develop as much supply as they can economically within their boundaries.

Clauses 36 and 52 give the minister unilateral power to establish prices for crude oil and natural gas without consultation. This is in complete violation of the constitution. It makes one wonder what we are trying to achieve.

It is rather unique that we are debating this bill at this time. The Secretary of State for External Affairs (Mr. MacEachen) and the Minister of Agriculture (Mr. Whelan) are at a food conference in Rome, where the nations of the world are trying to define some overall plan to help the starving millions on this globe.

Not too many months ago there was a world population conference in Bucharest. The nations of the world tried to see what they could do about the exploding population, especially in those areas where many of the newborn will not see many new days in terms of our mortality tables.

We have the ingredients for an explosive situation that is just as volatile as the subject matter of this bill, be it gas or oil. We have an exploding population and we are trying to develop food resources to feed them. As hon. members know, we live in this finite globe. We knew this before the Club of Rome decided there was something called limits of growth, yet all governments of consuming oil countries in the western world still persist in keeping their heads in the sand, believing that oil and gas will flow from now until doomsday.

This bill does not get down to the basics. I wish to point out several areas of concern.

I see the Minister of Communications (Mr. Pelletier) is leaving the chamber. That is interesting because I was going to mention, in a most unprovocative way, that that minister should be engaged more strenuously in discussions with the provinces on the traditional problems connected with broadcasting, especially cable. If that minister tries to bring in a bill that unilaterally tries to do, in broadcasting and cable, what this minister is trying to do in the petroleum and gas industry, some parts of this country would forever foreclose. They would lock out any federal minister who came to discuss jurisdictional problems in broadcasting or cable.

We are talking about natural resources in the provinces. As I say, this bill makes a mockery of the constitution. It is a beautiful example of how the Prime Minister (Mr. Trudeau) wants to revise the constitution and bring home the monitoring formula which he talked about in the Speech from the Throne debate. Why worry about the monitoring formula? Why worry about revision of the constitution when a minister, masquerading as the savi-