

*Government Organization Act, 1970*

Energy Board of our gas needs for the next 25 years are not realistic. We want to know, what does the government estimate we will need in terms of natural gas, and what protection will there be in price for domestic users? I know that the government's stock reply is, "well, if we are hard pressed for gas in Canada, we always push out and develop new sources of gas". That is quite possible, particularly with gas being discovered in the Arctic, but I wonder if the public realize what the government is doing. What the government is doing is selling the gas in Canada which is readily accessible and relatively cheap, and as the Canadian market expands we will have to develop the less accessible and consequently much more expensive gas for our own use. Surely, we ought to have a clear-cut policy with respect to the whole question of gas. When I look at the projections made by the National Energy Board, which estimates that about half our gas production is going to the United States and that in 1990 two thirds of our natural gas will be going to the U.S.; that we are now meeting some 3 per cent of the U.S. requirements but by 1990 we will be meeting 15 per cent of the U.S. requirements, I begin to wonder what we are holding in reserve for the use of Canadians of readily accessible and reasonably cheap gas.

I notice a report from Washington which says that the United States will face a possible gas shortage by 1976. I do not blame the Americans if they try to make all the agreements they can to purchase gas in Canada. As a matter of fact, they will be prepared to pay us a better price than we are now getting from our own domestic consumers, and the effect of that will be to push up the price to our domestic consumers because if the gas companies can get a better price in the U.S. than they are now receiving in Canada, they are going to raise the price to domestic consumers.

So what we want to know is, what is the government's policy with respect to natural gas. It is not enough for the minister to say that we are going to sell only that which is surplus to our needs. That is a lovely stock phrase that means nothing. What do we mean by "surplus to our needs", surplus to our needs for today or next year or ten years from now? These supplies of gas will not replenish themselves. They are here once and when they have been utilized, they are gone. To suggest that we can sell anything more than we require ourselves from day to day is to embark upon a policy that will allow two thirds of our natural gas to be siphoned off to be used elsewhere. The result will be that future generations of Canadians will not be able to get the necessary gas and the necessary energy to convert our raw materials into manufactured goods or to produce electric power and provide other services to the Canadian people.

● (12:40 p.m.)

I hope the minister will also make a clear-cut statement during the course of the passage of this clause of the bill with respect to the government's oil policy. What is the government's oil policy? The national oil policy has been completely overtaken by events. The idea of using

[Mr. Douglas.]

Canadian crude up to the Ottawa Valley, and allowing the area east of that to be served by off-shore supplies of oil, is becoming increasingly untenable. Venezuela has just increased the price of oil. The oil countries of the Middle East have done the same, and so has Libya and some of the other African countries. Within the last two weeks several oil companies have announced that they expect to raise the price of oil and the price of gasoline because of the increased costs of imported oil.

Another factor has entered the picture. The President of the United States has been questioning the security of oil supplies for eastern Canada. Under the U.S. mandatory oil import program, the U.S. was concerned that in the event of war and submarine havoc on the Atlantic coast, we would have to depend upon the United States to supply the area east of the Ottawa Valley. This was one of the reasons which the President gave in the statement which he made with respect to quotas on Canadian crude oil from western Canada.

It is becoming increasingly apparent that we have to scrap the old national oil policy and think in terms of the feasibility of building a pipe line to Montreal to serve the eastern market. We have not been able to get any of the economic feasibility studies from the minister; studies carried out by the government. I have seen some of the economic feasibility studies done by the—

**The Chairman:** I regret to interrupt the hon. member, but I must advise him that his time has expired.

**Some hon. Members:** Continue.

**The Chairman:** The hon. member may continue if there is unanimous consent. Is there such consent?

**Some hon. Members:** Agreed.

**Mr. Douglas:** I thank the committee. This saves me from breaking up what I have to say into two parts. I will try to bring my remarks to a conclusion quickly.

There is now a need for a serious investigation as to the economic feasibility, and the desirability from a national standpoint, of extending an oil pipe line to Montreal. The minister always meets this proposal by first saying that the feasibility studies do not indicate it would be economically desirable. Mr. Chairman, we have not seen those studies. I have seen some of the studies prepared by some of the independent producers, and I would welcome a chance to see some of the government studies and make a comparison. There are those in the oil industry who believe it would be economically feasible, provided such a pipeline were protected against undue dumping. They believe it could meet the normal competition of off-shore oil. That may be arguable, but I would like to see more data than has been given to us to date to determine that a pipeline to Montreal is not feasible.

The minister's chief argument for not doing something about this is to the effect that if it were a feasible proposition the private companies would see that such a pipeline was built. That statement is much more naïve