

*Energy Supplies Emergency Act*

no security of tenure. This means all it takes is a telephone call and they are on their way. This new board will be nothing but a club for the minister and, incredibly, will have authority to run roughshod over the National Energy Board. Also, as I said before, its regulations will supersede acts of parliament.

● (1640)

Is it any wonder the minister questioned the hon. member for Calgary North (Mr. Woolliams) about appointments to this new board. I would like to quote from *Hansard* of December 6. The Minister of Energy, Mines and Resources (Mr. Macdonald) said:

I should like to compliment the hon. member on his speech. It is a good speech. It is really in respect of the appointments that I wish to ask him a question. It is not a question of political hacks but, rather, of obtaining qualified people in the oil business who would be prepared to sacrifice better incomes in order to make such a contribution.

The key words in the new bill regarding appointment are "at pleasure." This will be no more than a strawboard; surely nobody but a civil servant or a political hack will accept an appointment "at pleasure" on the board. In his television talk on energy resources, and in the House later, the Prime Minister (Mr. Trudeau) spoke about a number of aspects of the problem; but it was certainly not an exhaustive presentation. He completely forgot about or ignored the need for fuel energy in agricultural production, which is the very basis of our survival. Fossil fuels are indispensable to the needs of modern agriculture. I cannot discuss this matter in one short speech except to say that for every three calories of food produced in this country, there must be an input of one.

Farming in Canada now uses more petroleum by-products than any other single industry. The total input of energy per acre of land producing corn in the United States is now 80 American gallons. These gallons include the energy equivalent of labour, machinery, fertilizers in the form of nitrogen, phosphorous, potash, seeds for planting, irrigation, insecticides, herbicides, drying of the crops, electricity and transportation. Lack of oil is certainly going to influence crops in Europe as well as in the United States in the next growing season. I sincerely hope that our federal cabinet and the Canadian Wheat Board fully understand the possible effects of fuel shortages on crops of cereal grains around the world. I also hope the various experts who so competently predict vast world food production increases will realize on what our past increases have been based—mainly petroleum and other types of fossil fuel energy in the industrial countries, obtained at comparatively low prices.

There is no over-all shortage of energy in Canada, or the world for that matter; but, rather, there is a definite scarcity of low-cost energy. Canada's total recoverable inventory of oil and gas, proven and potential, has been estimated to be the equivalent of 561 billion barrels of oil. To date, total cumulative Canadian production has been about ten billion barrels, less than 2 per cent of the total. The current wellhead price of a gallon of Canadian crude is approximately 11 cents and the reserves of oil available at that price are definitely limited. However, estimates contained in "An Energy Policy for Canada, Phase I" suggest that a price of 20 cents per gallon would make

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available 60 to 85 billion barrels of oil. By way of comparison, total Canadian oil consumption in Canada this year will be approximately .65 billion barrels.

There has been a general tendency to lament the high cost of gasoline and to infer that the oil companies are somehow at fault. The facts are that of the total retail sales price of a gallon of gasoline, the dealer's margin is about 10 cents, combined federal and provincial tax ranges from 18 cents to 28 cents, depending on the province, and the oil company receives about 26 cents from which it must, among other things, pay royalties and income taxes. The latter figure is approximately 25 per cent higher than it was 25 years ago in 1948. It is interesting to note that over this same period wages and salaries have quadrupled and the general wholesale index has doubled. In view of the realities of the petroleum situation, it is obvious that countries on subsistence agriculture will have to develop their new policies in terms of power from men and from draught animals. It is already becoming evident that some of the developing countries know this rather simple and very important fact and it may well be that some of our experts will need re-educating.

It is interesting to note the short-term response of government and industry to energy shortages. Their primary concern is to search for faster ways to exploit available energy resources, as well as to temporarily reduce present consumption to get us through the winter. Nowhere have I seen any suggestion that we plan for the long term and that we decide how we will shape our society to make the best use of our fossil fuels. For example, do we want these fuels for the next 10, 100 or 1,000 years?

In the matter of controlling the amount of money available for development, government plays an important role, taxes being a major cost. In plain terms, any shortage of petroleum we may suffer will be the direct result of inadequate capital spending engineered by this government. Canada is the world's largest major oil consumer on a per capita basis, and agriculture is the most intensive user of lubricating oil, grease, gasoline and fuel in Canada. Based on 1971 figures, fossil energy and derived products amounted to 14 per cent of all farm input expenses in Canadian agriculture, 17 per cent of out-of-pocket expenses of farmers, or equal to nearly one-third of net farm income. These figures are from Statistics Canada, 1971.

With agriculture such an important factor in the energy situation, what do we hear from this government about it? Nothing. They are asleep at the switch. The secretary of agriculture in the United States has at least made some concessions to agriculture. Millions of dollars are to be spent on fuel research in this country, but not a word about agriculture. However, agriculture, with its waste products, is a very important source of energy production. Other countries are moving in this direction and I mention just one, Taiwan. Agriculture, instead of being a net absorber of fuel energy, could well become self-reliant in fuel by proper use of its waste products, straw and animal waste. Let us spend a few thousand dollars on some little projects along this line. We seem to have millions for other research. Starchy cereals and vegetables can be converted to fuel. It has been done in other countries such as Czechoslovakia and the United States.