

Oil

● (1530)

I believe this is one of the most important decisions facing the people of this country. We must not wait until the crisis is upon us. We must begin to plan now so that when our conventional sources of supply dry up, plants in the oil sands will be ready to go on stream. I need not remind hon. members that ours is a technological society. It is true there could be some reduction in our consumption of oil. We might be able to persuade people to drive smaller cars and insulate their homes better so that they would use less gasoline and home heating fuel. The fact remains that our transportation system, much of our industry and practically all of our agriculture production are dependent upon adequate supplies of oil at reasonable prices.

I wonder whether hon. members have ever considered that if we had to go back to the horse to produce the food the people of Canada need, 40 per cent of our population would be needed on the land instead of 10 per cent as at present. We could not feed ourselves if we lacked oil for tractors, combines and other farm equipment. We can no longer leave our future development in the hands of foreign oil companies. Parliament, this parliament, must take the initiative in pressing for a workable oil policy to meet Canada's needs before it is too late.

Mr. Macdonald (Rosedale): Would the hon. gentleman permit a question?

Mr. Douglas: Yes, of course.

Mr. Macdonald (Rosedale): I am trying to clarify the hon. gentleman's position on the disposition of the export tax. Do I understand him to say that if the royalty which the provinces would have received from the increased price was made good to the provinces he would still insist that the additional amount which would have accrued to the company benefit should be given back to the province as well?

Mr. Douglas: I am not suggesting the federal government should pay the province the amount the provinces would have collected in royalties from an increased price in the domestic field. I sought to make two points. First, the federal government should return the 40 cents a barrel to the provinces but I would make it conditional that they be prepared to use that money for the development of the oil sands. Second, in view of the fact that these provinces are not getting a royalty on domestic oil they would have received had the federal government not, quite properly, applied a price freeze, I think the government has some moral obligation to put a considerable amount of federal funds into the development of the oil sands.

Mr. Speaker: I am sorry I must interrupt the hon. member who is replying to the minister's question, but his time has expired.

Mr. Jim Balfour (Regina East): It is not possible Mr. Speaker, to read the motion put before this House by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) without reaching the inescapable conclusion that the New Democratic Party has once again sacrificed the public interest to party survival, and sought to conceal

[Mr. Douglas.]

that betrayal of the public interest with a mask of compassion.

Some hon. Members: Oh!

Mr. Balfour: Mr. Speaker, the opening paragraph appears to deal with the current urgent crisis in oil supplies, a crisis which threatens Canadians in the immediate winter months ahead with difficulties in connection with transportation, heating, industrial unemployment and rising prices. The motion urges the government to take immediate steps to solve these difficulties. Mr. Speaker, what "immediate steps" is the House to ask the government to take?

As a preliminary step to the "immediate steps", the government is asked to set up a national corporation to contract with oil-producing states and, once the oil is obtained, to supervise the marketing of the oil. Parliament has set up a number of national corporations. We might estimate that such a corporation, once constituted by parliament, will take a couple of years to negotiate and contract at the international level.

As another preliminary step, Mr. Speaker, the House is asked to authorize the government to extend the oil pipeline to eastern Canada and to bring such a pipeline under federal ownership. It is common knowledge that construction of such an extension will take at least until 1976.

Then, as the final preliminary step, we are to ask the government to ensure future oil supplies by negotiating with the concerned provinces for the development of the oil sands by another Crown corporation. Even the NDP draftsman boggled at describing this project in any other time context but "the future"; yet he managed to include it as a "preliminary step" to be taken before any "immediate steps".

These "preliminary steps" that are to be taken before any "immediate steps", are long-term projects, Mr. Speaker. They are, whatever their merits, simply not relevant to ensuring that there is continuity of supply to Canadians at fair and just prices this month, in November and December of this year, and in the winter and spring months of 1974. Canada, eastern Canada in particular is facing a crisis in the energy field. Contrary to the view put forward by many, however, I suggest that this crisis is not one of an inadequate supply of energy fuels in Canada but, rather, an organizational crisis caused by failure to arrange for adequate supplies of energy to be at the appropriate place in terms of consumer demand at the appropriate time. It is, in other words, a crisis created by the lack of a coherent energy policy on the part of the federal government, concerning which much has already been said. A great deal more will be said, I am sure, in the weeks and months ahead.

If Canadians now and throughout the winter months become caught in a situation of inadequate supplies of energy fuels, blame for the situation must rest squarely on the shoulders of the present government because of its failure to undertake meaningful consultation on energy matters with the producing provinces, with the industry itself and with the foreign crude oil suppliers as well as its heavy-handed approach to policy implementation and the complete lack of a national energy policy consistent with the conditions prevailing at the present time.