

*Energy Resources Policy*

During the period I was associated with the government of Saskatchewan, my colleagues and I joined with the Independent Petroleum Producers Association in urging the Conservative government of that day to build a pipeline from Montreal. Since I came back to the House of Commons in 1962 I have made repeated representations to the government on this matter, to the present Minister of Energy, Mines and Resources and to preceding ministers in charge of that department. The Independent Petroleum Producers have come before the government repeatedly, drawing attention to the necessity for making secure the oil supply to eastern Canada.

As late as June 28 last, the Minister of Energy, Mines and Resources tabled the report on energy. On page 14 of that report we read—I suppose the report is speaking for the government—that the threat to security of supply is not sufficient to warrant building a pipeline to Montreal. Yet within a few weeks the Prime Minister, on September 4, announced that the government was in favour of building such a pipeline.

**Some hon. Members:** Oh, oh!

**Mr. Douglas:** When the Prime Minister talked, as he did the other night on the air, about planning ahead, one wonders where this planning is. We have been promised a national oil policy statement for several years. I know of nothing which has had a longer gestation period than the government's oil policy. They started out to put such a policy together four years ago. We have been promised it year after year. We are still waiting for it. The Prime Minister says now that there will be a national oil conference of first ministers in January. If he is correctly reported in the press, the Minister of Energy, Mines and Resources says he expects nothing more concrete than a policy—and I quote—“evolving as a reality throughout 1974”.

What we have seen as a substitute for an oil policy has been a series of ad hoc decisions responding to a series of crises. When some of us in this party warned the government that oil and gasoline were being sent out of the country because of a shortage in the United States, we were ignored and accused of scaremongering tactics. Finally, the government imposed export controls. We pointed out that rising prices in the United States were enabling the oil companies to realize windfall profits. The government finally woke up to the situation and on September 4 imposed a temporary price freeze and put on an export tax.

In recent months, almost every other day we have asked the minister to tell us which alternative sources of oil it is proposed to utilize in the event some of the OPEC countries, particularly the Arab states, refused to make supplies available to us. These questions were set aside with Pollyanna statements that all was well and there was no need to worry. Now we find ourselves in the position where none of the major decisions has been taken with respect to an oil policy.

The minister has not yet told us what the price structure is to be when the freeze is removed. He has not yet told us whether the government intends to set up a national energy corporation and, if so, what its functions and powers will be. He has not told us how he proposes to

[Mr. Douglas.]

develop, in conjunction with the oil producing provinces, the oil sands and the shale deposits. We still do not know the position the government will take with regard to the development of these last great reservoirs of oil—a resource which Canada must develop if we are not to face an even more serious energy crisis in the future.

Let there be no doubt about the reason we face an oil shortage at the present time. It is because the government has failed to produce an oil and gas policy. And there is no immediate prospect of one being produced unless hon. gentlemen opposite decide to move much more quickly than they have done up to now.

I appeal to the Prime Minister not to wait until January to call—

**Some hon. Members:** An election.

**Mr. Douglas:**—a national energy conference. I see no reason why the first ministers could not meet some time in December. I see no reason why the government could not take an immediate decision with reference to the construction of a pipeline to Montreal so that work could begin next spring and we could look forward to its completion before the end of 1975.

The minister has put forward certain proposals, and I wish to comment on them briefly. He said he would establish an energy supplies allocation board which would be responsible for allocating oil supplies at the wholesale level. There is no doubt such a board will be needed, and that the government will have to intervene to make sure that supplies are allocated to areas where they are most required and to see they are distributed fairly. Members of this party would, of course, have preferred to see some type of marketing mechanism. If the government had taken the advice of the energy report that the minister placed before the cabinet last April, the suggestion made by the department that a national energy corporation be set up, we might not be in the situation in which we find ourselves today.

I hope that when the legislation is brought down, the minister will be prepared to tell us what plans the government has made with respect to allocating oil supplies so as to minimize the amount of unemployment which is bound to arise if industries are not able to get adequate supplies of energy. I hope the minister will also tell us, when the legislation comes down, what provision he intends to make to ensure that the independent wholesalers are able to get supplies.

The minister told us in his statement he will make sure that the wholesalers distribute the oil equitably. But will the allocation board ensure that the oil is distributed equally to the wholesalers? Everyone knows that the independent wholesalers depend on the independent oil companies for their oil and that they only get it when the major companies have a surplus. Many of these independent wholesalers service important sections of the Canadian public. We shall be anxious to secure from the minister an undertaking that the independent wholesalers will be able to get a fair share of the oil so that their customers will not suffer.

I note that the minister has acceded to the request that the price of gasoline in the eastern areas of Canada be