

Oil and Petroleum

fact—indeed, I spoke about this publicly during the campaign—that the oil companies should be allowed a reasonable royalty as an expense of doing business. Whether or not such a compromise can be worked out I do not know, but at this point in time to suggest that \$2.50 of an increase, or 65 or 70 per cent, should be the royalty, is begging the question. That is why the federal government took the action it had to take.

Once again we have the selective memory of the opposition parties when they say the government has been lacking in leadership. I suggest they are really choking on that particular expression. They tend to forget that the price of oil per barrel in the world was quadrupled and, as a result, we had to meet an emergency situation. We did this in several ways. We did it by delivering the oil in a way which the hon. member for Dauphin (Mr. Ritchie) said was so successful that he wanted it adopted as a permanent way of moving oil from the west to the east, namely, by ship, train and any other way. So that operation must have been comparatively successful, Mr. Speaker.

The position of the federal government is that we want a one-price system for oil in Canada, give or take a few cents to allow for transportation costs. Is the opposition suggesting that this is inappropriate? If it is, then hon. members opposite should stand up and say so. It seems to us that having a two-price system is a good move. We should have one price across Canada within the limits that I have indicated, and then impose an export tax, which is a legitimate tax, on oil we ship outside. This money would not be used to fill the government's coffers.

There is a surplus of \$200 million now, but I have not heard any member say how that money should be spent. They view it with suspicion, and wonder what the federal government is going to do with it. Surely these members have an obligation either to say they approve or they disapprove on the second reading of this bill, which is approval in principle.

Then I hear opposition members harping on the fact that the minister suggested that one option open on the Montreal-Sarnia pipe line was that, in order to pay for the capital cost of the line, a flow through charge should be made to users. With respect, that is one option that must be considered. Another option is that Interprovincial Pipe Line go ahead and build the pipe line as they were going to in the first place. Another is that they get a guarantee of a flow through charge, with the federal government picking up any shortfall in amount. Yet another option is that the federal government build the pipe line, or that the federal government build the pipe line and sell it back to Interprovincial. There is a whole series of options which surely must be examined.

Much has been made of the fact that we were confronted with an emergency situation, yet construction of the pipe line has been delayed. It has been held up because the National Energy Board saw its responsibility. It knew this was an emergency situation, and it also knew that there was apprehension in the province of Quebec about environmental damage. So the board told Interprovincial Pipe Line to find another route, that it did not feel it could approve the present route. As I say, the National Energy Board saw its responsibility and had the courage and good sense to do what it did. Surely it has a responsibility to

[Mr. Cullen.]

tell provincial pipe line companies where to build their pipe lines so there is as little impact on the environment as possible.

I suggest to the hon. member for Calgary Centre that the most ridiculous suggestion I have heard tonight in this debate is that we should withdraw clause 36. Somewhere down the line the federal government has to take its responsibility. It is endeavouring to negotiate, for the people of Saskatchewan and Alberta, a price for their oil. If this cannot be negotiated, would not the opposition be justified in saying to the government that it has reached the stage where it cannot come to any kind of settlement, so why not introduce legislation to set the price?

This bill does not set a price unilaterally. There are all kinds of opportunities, both for the consuming and the producing provinces, to negotiate a reasonable price. But if this cannot be done surely the federal government must take its responsibility.

Mr. Baldwin: That is price control. I thought you were against that.

Mr. Cullen: One thing we would have liked to control was the amount of money the Conservatives wasted in the last election, but we could not do that.

I have indicated my support for the bill, Mr. Speaker. I think we are rehashing a lot of debate that we have already had. Questions have been asked tonight about what is going to happen to the \$200 million, and I think these questions can be answered in the committee. Perhaps we will even get some suggestions from the opposition about what we should do with the money. What portion of the price of a barrel of oil should the oil company get, what portion should the producing province get, and what portion should the federal government get? We have not heard any suggestions in this regard from the opposition parties.

Mr. Baldwin: There is lots of time; we have another week to go yet.

Mr. Cullen: I hear what the hon. member says from his seat, but since he is not participating in the debate I will take that for what it is worth. In my view this bill should go to the committee, receive careful scrutiny and then pass. To suggest that clause 36 should be eliminated, thus depriving the federal government of its leadership role, is an inappropriate suggestion for any federal parliamentarian.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, the Minister of Energy, Mines and Resources (Mr. Macdonald) has given us a studious commentary on Bill C-32. The areas of this bill with which I agree are already clearly on the record, and they have been placed there by other members of my party. Similarly, other members of my party have clearly defined their areas of stern disapproval. Those areas of disapproval were voiced a moment ago by the previous member who was quick to praise clause 36, to which I should like to come in due course.

Let me for a moment, however, examine the closing statements of the Minister of Energy, Mines and Resources. He stated that the objectives which the bill seeks to achieve are, for the most part, familiar to mem-