

east of the Ottawa valley is still cheaper than domestic oil. Therefore, Canadians are paying a great deal more for their oil than they ought to pay, and the protection which the government ought to give those who live west of the Ottawa valley is absolutely essential. The government has a responsibility to protect Canadian consumers by setting a price for domestic crude oil. We can let the export crude price be set by the international market, and if that price goes too far out of line with domestic prices then the government has power to impose an export tax on all Canadian crude going to foreign markets. In this way the Canadian people, to whom the oil belongs, would enjoy some of the benefits and not be limited to the mere 4 per cent of the profits which Imperial Oil has made over the past ten years.

The third proposal I have made in this motion is to suggest that the time has come to revise the national oil policy. Whatever merit the Ottawa valley line may have had 12 years ago, I maintain that today it represents a prescription for disaster. I notice that in the letter which Mr. J. F. Grundy, the Deputy Minister of the Department of Industry, Trade and Commerce, sent to the Chairman of the National Energy Board on September 22, 1971, he said: If the "price" for unlimited access involves a rigid maintenance of the Ottawa valley line and higher costs for Canadian industry generally and the petro-chemical industry in particular, we do not believe this is in the national interest.

Mr. Hamilton (Qu'Appelle-Moose Mountain): On a point of order, Mr. Speaker, may I ask that the rule of the House be applied to the hon. member and that he be required to table the document from which he has just quoted.

Mr. Douglas: I would be very glad to table it, Mr. Speaker, but I believe that the rules preclude a private member from tabling a document. However, if I am not allowed to table it I will be glad to give the hon. member a copy.

The Acting Speaker (Mr. Laniel): Order. I wish to remind the hon. member and the former minister that this rule applies to ministers and not necessarily to private members, and in particular it applies to official documents.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Is that right, Stanley?

Mr. Knowles (Winnipeg North Centre): A private member cannot table anything.

Mr. Douglas: Mr. Speaker, I sometimes wonder if ministers ever read the studies which are prepared for them. I have just sent to the minister and to the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) a copy of a report called "Canada's Commercial Policy and Energy," prepared by the Department of Industry, Trade and Commerce. It is an excellent report.

That report predicted the growing shortage of supplies in the United States. It anticipated a drainage of the Canadian market and a drastic rise of price. That report, which the government has had in its possession for a year and a half, advocated a two price system for oil in Canada. Today, after 18 months, with prices soaring and the demand for oil increasing, the government has done nothing

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ing to protect the oil consumers in the area west of the Ottawa valley.

In my opinion this national oil policy is now giving to Canadians the worst of both worlds. Those west of the Ottawa valley have the assurance of supply, but are completely at the mercy of a monopolistic industry with respect to price. Those east of the Ottawa valley have the advantage of competitive pricing, but they are going to be increasingly at the mercy of the oil producing nations which can cut off their supply or raise the price at will.

The people of eastern Canada cannot get Canadian crude because there is no pipeline to carry it to them. At the present time, Canada is shipping some 60 per cent of its oil production to the American mid-west. By removing the Ottawa valley line, I believe it would be possible for the government to give the Canadian people the best of both worlds, by having two way pipelines through which oil could move freely, either from western Canada into the eastern regions, or have off-shore oil move freely from eastern Canada and Montreal into the central market. The result would be that if western oil prices were unjustifiably high, then off-shore oil would provide competition. On the other hand, if imported crude supply were threatened or if prices became too high, then the people in the east could use western crude to ensure both security of supply and price competition. I readily admit that this might mean some curtailment in our oil exports to the United States, but I would point out to hon. members of this House that for years and years the United States has imposed quotas against Canadian crude oil by presidential directive, and those orders still stand. Canada has been used as a tap to be turned off and on as it suited the oil companies and as it suited the United States.

The fact is that we have not got a national oil policy. We have an oil policy designed by the oil industry of the United States, by the Americans and for the Americans. On March 19 of this year Mr. John Connally, the former U.S. secretary of the treasury, speaking in Toronto warned Canada not to be hidebound, to use his phrase, by nationalism, in considering our new trade and financial arrangements. But he went on to say, "The United States would understand an oil supply policy which might cut back exports to the United States if necessary to cover Canadian needs." In other words Mr. Connally is saying to Canadians, "For heaven's sake, tell us what your oil policy is with respect to your needs."

I think that we would be justified in placing a curtailment on our exports of oil and gasoline in order to guarantee to the people of Canada security of supply and reasonable prices. In my opinion, the quotas set for oil last February were much too high. They were set after there had been a terrific out-pouring of oil to the United States. We would be fully justified, not in cutting off exports of oil, but in tapering them down to the figure of half a million or three-quarters of a million barrels, the figure the United States itself imposed on us not too long ago. What we do in this immediate oil crisis will largely determine our ability to deal effectively with the long-term oil crisis.