

quent impact on next season's gasoline, even if it were possible to meet winter requirements in full.

● (2010)

On the Prairies the situation is satisfactory in regard to supply of all product categories. Pre-existing concerns, that is to say, concerns which were prevalent prior to the problems arising from the Arab oil interruption, about the supply of heavy fuel oils in British Columbia have been heightened because this region normally imports significant amounts from the United States which now, of course, faces its own supply difficulties.

In light of this over-all supply situation, it seems prudent to consider carefully appropriate means to reduce energy demand throughout Canada but particularly for those products and regions which I have specifically mentioned. A number of provincial governments have already been contacted, and others will be, to outline the nature of the crude oil and product supply situation as it is emerging and to inform them of the price developments which I have just mentioned.

The government is considering further steps, and has an allocation program for application at the wholesale level which will be introduced if a more serious supply situation becomes apparent. Although it is recognized that security of supply for priority users must be protected, the government is reluctant to interfere at this stage with the normal marketing arrangements of the industry. At this stage I am calling upon Canadian consumers, municipalities, heavy industry and provincial governments to study means of reducing consumption on a voluntary basis. We will be in touch with them to exchange ideas, develop and provide details of our conservation program.

Before resuming my seat, Mr. Speaker, I would like to take this occasion to express my appreciation to the oil industry, with one notable exception, for the co-operation that has been evident from them in the past two months in keeping Canadian prices down. The notable exception is Gulf Canada. I feel it necessary at this time to call attention to a report which appeared in the *Toronto Star* on Wednesday, October 31, in which Mr. McAfee, the president of this corporation, said with respect to the fact that Gulf Canada broke the freeze restraint and I quote from the *Star* report:

When we hadn't heard from the minister from October 12 to October 29, we figured the increase was okayed or the government was stalling.

I would just like to quote from a telegram sent to the same Mr. McAfee by my deputy minister, in my absence from the country, on October 12, in which was repeated what had been stated to Mr. McAfee earlier, that the government wished the company to continue its price restraint. I am prepared to lay a copy of the telegram on the table if the House wishes. I quote one paragraph as follows:

As I told you during our telephone conversation today in response to your letter to the minister of October 9, 1973, requests for price increases have been received from a number of companies and the department has the question of all cost increases under active review. The minister will take to cabinet shortly a proposal for price increases due to higher crude oil import costs. We request that you continue to refrain from price increases until the cabinet takes a decision in this area.

Oil and Gas

Therefore, contrary to what Mr. McAfee has been quoted as saying, he was specifically requested to refrain from further action until cabinet had taken a decision.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Speaker, I and other members of parliament have been to symposia and meetings over the years to talk about good corporate citizenship, but this American president of that American corporation has set this House a good example of bad corporate citizenship.

Some hon. Members: Hear, hear!

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I think most Canadians are aware that there has been, and is, a world energy problem. They knew that Canada had sufficient energy reserves for its own needs and probably a little bit to spare. After September 4 they thought they were free, price-wise, of any increases until the end of January, 1974. Now, after tonight, they know that the September 4 statement by the Prime Minister (Mr. Trudeau) was merely a pose to let people think members of the government were the friends of the consumers until the government got a vote of confidence from the NDP.

Some hon. Members: Hear, hear!

An hon. Member: Gulf Oil speaks.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Tonight's statement by the minister ends the price freeze so far as consumers are concerned. It adds immeasurably to the tensions of this federal nation, and I suggest it means a whopping big increase for all types of consumers after February 1. Under this statement, every consumer east of the Ottawa Valley line will have a price increase, effective tomorrow, of 2 cents a gallon. But the minister's statement indicates that with the price rise during November there will be a further 3 cents at the end of November, and every month more increases. The Ontario consumer, under this statement, if he is the driver of an automobile is safe until the end of January. But the home owner in Ontario, and particularly in eastern Ontario, will carry the full burden of increasing costs during this winter.

Prairie consumers are held safe until the end of January and then they, too, should experience a walloping great increase when pent-up, built-up costs and losses are piled on to them in increased prices.

The next point I want to emphasize—and this is the main point—is that this statement tonight, more than many statements made in this parliament over the last number of years, adds additional tension to confederation. Can't you imagine tomorrow, as the people of the Atlantic provinces, hard hit as they have been since confederation, have to take another wallop? Can't you imagine, in Quebec, how all those people who voted Liberal will wonder? Can't you see, in Ontario, the richest province in Canada, people being proud of the fact that the automobile drivers are being subsidized by the producing provinces, and the home owners get the full treatment?