

Mr. Horner (Crowfoot): Price and wage control would be nothing compared to the rationing and complete control that this bill could bring about.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): We have had a bit of a rift with the United States over this problem. In their energy crisis, their leader stated quite clearly that by the end of this decade they will have developed the potential to meet their own energy needs without depending on any foreign nation. That is what Mr. Nixon said recently with regard to their energy crisis.

What was being said in the United States in 1969 with regard to the energy crisis? Late in 1969, the United States cabinet report on energy future recommended closer relations with Canada on energy, but suggested that Canada could only be counted upon as a secure source of oil if it took steps to reduce the then total dependence of Quebec and the Maritimes on overseas imports. At that time the United States saw the danger to Canada by taking cheap oil from what might be called an insecure source and doing very little about it.

Was the oil industry of Canada asleep at that time? No, not so. The Canadian independents under the IPEC association discussed the problem with the Prime Minister. He said "Go peddle your oil somewhere else. We do not want it. It is too expensive in the province of Quebec, especially the Montreal market." That is what he said in 1969.

Now, sad but true, we have before us what is called an allocations bill. It is going to set up an energy supply allocations board. The board may control not only products so designated by the Governor in Council, such as petroleum, hydrocarbons, electricity, but even products manufactured from petroleum, according to clause 12(5). The order of the Governor in Council may designate any products manufactured wholly or in part from petroleum or hydrocarbons and bring them under the allocation program.

● (1440)

What will the allocation board do? How much oil will it be able to divert to the five eastern provinces? I suppose that in theory it could divert as much oil as those provinces need. But the board could do this effectively only if transportation was available. I do not know how many members saw the article in the *Financial Post* last week. It described the idea of moving large amounts of oil by rail as pure fantasy, not because the railroads do not have the tracks, but because they do not have the tank cars. Spokesmen for the railway companies have themselves stated before the transport committee that the railroads do not own any tank cars, they rent them. The tank car rental companies say there are no more of them available for hire, so it would be impossible to move by rail the 50,000 barrels a day to which the minister has referred from time to time.

Oil is moving to Vancouver right now through the Trans-Mountain pipeline. From there it is being taken by tanker down the coast and through the Panama Canal to eastern Canada. Loading facilities are such that at best it is not possible to deliver more than 70,000 or 75,000 barrels a day to that market. Sad as it may be, the facilities for

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doing better are not there. They will have to be built. So what will the allocation board really be doing?

How necessary is this board? A meeting of provincial first ministers is to take place in January, and the government, presumably with the idea of promoting a feeling of goodwill among the first ministers when they attend that meeting, wishes to confront them with a bill which has already been passed by this House. Are there no clauses in this bill which are negotiable with the premiers? This has been the trouble about the chess game we have been watching. The federal government has made up its mind as to its intentions and said ho-hum to the provinces and their desires. Is this a fair attitude to take if the first ministers' conference is to be carried on in a proper spirit so as to devise ways of meeting the energy crisis which could develop in Canada should the Arabs shut off the oil being delivered to the five eastern provinces?

Richard Gwyn, a civil servant for some time, now writing for the *Toronto Star*, had this to say on December 8:

Lougheed, if he wants to do it all by himself, might, at least constitutionally, just be able to do so. His new marketing board will control all of Alberta's production and can determine to whom it sells and at what prices.

So we are headed toward a direct confrontation. About a month ago someone asked the Prime Minister (Mr. Trudeau) to remove the present minister of energy from office and give him the job of House leader again.

An hon. Member: A Senate seat.

Mr. Horner (Crowfoot): That is a good suggestion. He would be the greatest confrontationist the Senate has ever seen. He might even that place up a great deal. But to send the present minister out to a conference which is headed toward confrontation, taking with him legislation which has already been passed, committing him to an inflexible position, is surely no way to create a proper spirit among the ten ministers who will be present. Mr. Gwyn goes on in this article to say:

The constitution gives Ottawa jurisdiction over interprovincial trade. But Alberta may have more scope than at first seemed likely. Alberta owns its oil in the literal sense of the word: it comes from Crown lands leased but not sold to the oil companies.

I wish to emphasize that last sentence, particularly for the benefit of hon. members who sit on my left. It is not the terrible multinational oil companies who own this oil but the government of Alberta, according to Mr. Gwyn, and I am inclined to agree with him. This article is one which is well worth reading. It suggests that passing the bill before us would do nothing to create harmony among the ministers attending the conference; rather, it would interfere with the goodwill necessary if we are to meet the difficult situation which may develop in the coming winter.

The *Globe and Mail* of November 30 carried an article under the heading "Saskatchewan orders cutback in oil output." It states:

A spokesman for the mineral resources department said in an interview that the government had sent letters to oil companies ordering a 16 per cent cutback in production in southeast Saskatchewan (9,300 barrels a day) and a 40 per cent reduction in southwest Saskatchewan (26,200 barrels) for December.