

Petroleum Administration Act

western Canada a manufacturing and industrial empire we will have to receive some favouritism in regard to cement prices. If we are going to sell our energy cheaply to other parts of Canada, we must gain some benefit in regard to the primary product used in developing oil in western Canada. The cement industry now uses about 8.8 million BTU's per ton of product. If the industry recycled more waste heat, cut down on convection and radiation losses and repositioned some kiln burners, it would need only about 3.6 million BTU's per ton. But because cement has been so cheap, the cement industry in the United States has not bothered to take the necessary steps to effect a saving in BTU's.

The article goes on at great length to explain the problems and has this to say about refiners:

Refiners spend a total of about 65 cents of every sales dollar on energy. Aluminum producers spend about 18 cents, plastics manufacturers about 15 cents, iron and steel producers about 12 cents, glass-makers 10 cents, shoe manufacturers only 4 cents, and makers of tobacco products and office equipment only three cents each.

That gives hon. members some idea how energy is used and who uses it. There is also an interesting comment about certain trends today. One of my pet beefs has been that in this country there is a lack of initiative and foresight in regard to doing anything to improve the rail-roading industry. At page 191 of this magazine appears an article on the transportation industry which reads as follows:

Highway construction is one of our largest consumers of energy: asphalt is itself a petroleum product and cement manufacturing is highly energy-intensive. Thus, a \$5-billion highway-building program uses 220 trillion BTU's, whereas a \$5-billion railroad-building program would demand only 80 trillion BTU's.

The article goes on to say that labour requirements are relatively the same, but in this country we are trying to scrap the railways and build more highways. If our energy resources were expensive, we would soon scratch our heads and say we must make the economies that are demanded of us so as to conserve our precious fuel stocks. We would find ways of generating electricity without the use of oil, would embark upon a large gasification program, and do many other things that need to be done. But so long as we continue to sell the industrial heart of the country cheap oil, these steps will not be taken. It is true that the province of Ontario is going to have to pay a lot more for its oil, but the industrial heart of the nation is still receiving the cheapest oil in the world. I ask hon. members to name one other country in the world that has cheaper oil than \$6.50 a barrel.

I realize some hon. members will say that my speech in the House this afternoon stamps me as somewhat anti-Canadian, but I would be less than honest if I did not warn Canadians about the danger of selling oil too cheaply. The same thing will happen to the oil industry as will happen to our beef producers if we knock down the price of our beef too far: one day there will not be any more beef for sale. I suggest the same holds true for the oil industry. Windfall profits have not been proven. The figures cited this afternoon by the previous speaker do not convince me that any oil company has made windfall profits.

The hon. member spoke about going through the books of oil companies. Let me tell him I have tried my best to examine the books of Crown corporations while I have

[Mr. Horner (Crowfoot).]

been a federal member of parliament for the past 16 years. Any prospectus of a company listed on the stock exchange will tell me more about the company than the annual report of Air Canada would tell me about Air Canada, or the annual report of the CNR would tell me about the CNR. Incidentally, we have not referred the annual report of the CNR to the transportation committee for something like three years. So when these NDP members, these socialists to my left, suggest that we must have Crown corporations to know what we are doing, I say that has not been proven in my experience in this House.

I ask hon. members to call representatives from every oil company in Canada before the energy, mines and resources committee and see whether they have made any excess profits. According to Imperial Oil's figures, in 1947, a significant year for Imperial Oil in Canada, they spent \$20.1 billion, with operating revenues of \$18.1 billion. That is operating revenue, Mr. Speaker, not net profit. I agree they have reserves valued at billions of dollars still in the ground, and they will derive operating revenue when they get those reserves out of the ground, but those are their figures.

If I may come to my concluding point, there is no question that we have ample supplies of oil in the Alberta tar sands. How are these going to be affected by the provisions of this bill? As an Albertan, I have always believed that the tar sands belonged to the province of Alberta and that Alberta should determine how rapidly they should be developed. Yet this bill gives power to some board to move right in and take over. I would not mind that so much if what I hear from the federal government was sane, sound and sensible. The Minister of Supply and Services (Mr. Goyer) who sits over there is the laughing stock of the city of Calgary since he made a speech there. They did not think that he was sane, sound, or anything else. They did not even think he could utter a sound economic statement after the speech he made out there. We are all aware of his venture into the oil business last winter, when he bid a fabulous price for some oil and then found it was low in viscosity and sulphur content. Now he does not know what on earth to do with it. With this kind of management we do not need Part V of this bill, and I speak as an Albertan.

I am very pleased to hear that the bill will go to the energy committee. I hope representatives of the province of Alberta and the province of Saskatchewan will come down to Ottawa suitcases in hand and make a good case for their provinces. I have always believed that the people closest to a resource develop most experience in the handling of that resource. The tar sands have great potential. They can put Canada well ahead of the United States or any other country in the world—and I conclude on this note—provided the tar sands are developed wisely and prudently, and in such a manner as to give a return to the people investing in them, whether they be Albertans or other Canadians.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I join other members of my party and the House in this debate on Bill C-18, an act to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain oil import costs and to regulate the price of Canadian crude oil in interprovincial