

Canada Oil and Gas Act

in the western producing provinces. I would like to refer for a moment to the increase in oil prices which were announced on December 31 by the Minister of Energy, Mines and Resources. This increase did nothing to encourage the further production of heavy oil or get people to go out and search for oil to carry us through. The government introduced a \$6.01 tax on a barrel of sour crude. Sour crude has a high content of sulphur. Canada does not have the refining capabilities to break this sour crude down into light crude and consequently we have been shipping it to the United States. Once again we priced ourselves right out of the sour crude market to the point now where Koch Industries of Rosemount, Minnesota has reduced their purchases by 25,000 barrels per day at the direct expense of \$500,000 per day to the Saskatchewan government.

The priorities of the government are not being addressed, and we are facing critical times. There are separatist sentiments developing in western Canada. Hon. members can believe me when we say they exist and they are there. Over the Christmas holidays I heard these sentiments expressed time and time again. There is a feeling of alienation, and it is no wonder when one sees self-contained factories being shut down as the result of policies of the federal government, which is insensitive to the needs and aspirations of western Canada. It is no wonder that a feeling of alienation is developing in western Canada when an insensitive document like the National Energy Program attacks the only healthy industry in Canada to the exclusion of all the other industries in Canada.

Mr. Deputy Speaker: I regret to interrupt the hon. member, but the time allotted to him has expired. However, he may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent.

Mr. Shields: I will close immediately, but I would like to express my thanks for your indulgence, Mr. Speaker.

Mr. Deputy Speaker: The hon. member's time has expired.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I wish to make some comments on Bill C-48, which is before us at the present time. I would like to make my comments in the context that this bill is part of the government's over-all energy program which daily forces Canadians to become more and more dependent on increasingly expensive offshore oil. That is the context in which we see this bill. It is an integral part of an over-all national energy program.

This bill will help to force Canadians into a position of greater and greater dependency on increasingly expensive offshore oil. There is ample demonstration of this fact in the newspapers and in the comments made on our radios and our televisions. Everybody knows that the offshore oil on which we are so dependent is going up, rising, increasing in cost steadily. In December the price of offshore oil to Canada went up by

some 10 per cent, or anywhere from \$2 to \$4.50 per barrel. We are now paying this additional amount for this imported crude.

The OPEC countries and Mexico on which we are dependent for some 420,000 barrels of oil per day, raised their selling price last month by 10 per cent.

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In so doing they added \$585 million to Canada's international balance of payments deficit. There is no guarantee that the price for this offshore oil—which must be imported to eastern Canada if people who reside in that part of the country are to have the fuel which is necessary to heat their homes and to drive their automobiles—there is no guarantee that the price will not go up again in 1981, and there is no guarantee from the OPEC countries and Mexico that the price will not be jacked up further than the 10 per cent we have already seen this year.

Neither is there a sure and certain guarantee that these offshore supplies upon which we are unfortunately dependent, will not be cut back and reduced. That, too, is of great concern to us as is the fact that at any time the importation of crude oil from other countries could as well be cut back. In other words, Canada is vulnerable and increasingly vulnerable, to the vagaries of world oil supply and world oil price and will continue to be in that unhappy and unnecessary position as long as there is not enough domestic production to supply our oil needs.

Day after day we are reminded of the lack of security in offshore oil; of the lack of stability in offshore prices. Day after day we are reminded of the critical need for oil self-sufficiency in Canada.

The federal government's every effort should be directed to reducing our dependence on offshore oil in the face of the dangerous and costly struggles in the international oil scene. Every effort of the Canadian government should be directed toward achieving oil self-sufficiency, yet what have we seen in recent months? We have seen the introduction of a national energy policy, of which this bill is an integral part, which has done more to impede Canadian oil self-sufficiency than promote it.

Canadianization and self-sufficiency are supposedly the two main objectives that this bill sets out to attain. They are both worth-while objectives. No one can have disagreement with them. They are what Canadians want and what Canadians need. But those worthy objectives have been offset and jeopardized by the methods the federal government has used, by the divisiveness the federal government has caused and by the confrontational attitude the federal government has taken in its energy policy.

Bill C-48 is part of an energy package which has taken a toll on Canadian unity. I cannot recall a time in this country when regions were more bitterly divided, when people felt more powerless to stand the dictatorial actions of an insensitive majority government, when federal-provincial relations were at a lower ebb. I have to ask myself what has caused ordinary, decent Canadians whose belief in Canada has always been