

*Petroleum Products Controls*

hon. member does not consider the various alternatives. This leads me to the point that he must have been attempting to engage in debate.

With reference to the removal of the Ottawa valley line, that policy was adopted by the former Conservative government under the right hon. gentleman from Prince Albert (Mr. Diefenbaker) more than a decade ago. That has been, and is, a way of life in Canada. The matter was before the Supreme Court of Canada 18 months ago, I believe, at which time the Supreme Court upheld that particular policy.

The hon. member for Nanaimo-Cowichan-The Islands has not reviewed how western refineries would feel in the event that the Ottawa valley line was removed as the demarkation point. How about the interests of the provinces of Quebec and Nova Scotia—which are now very seriously considering accommodating huge ocean tankers at their seaports? I understand from the hon. member for Madawaska-Victoria (Mr. Corbin) that New Brunswick is also considering this.

With the increased traffic by means of oil tankers, what would be the effect in respect of the price of oil in Canada? With the increased volume, what would be the effect on western oil prices? What about the offshore, continental shelf finds? I feel there is here a situation which requires a great deal of consideration. From reading one of today's evening papers we learn that the leader of Libya has indicated he will nationalize his country's oil industry if the OPEC negotiators are not successful in their negotiations with the particular companies involved. So we must consider the situation in the Middle East.

With all these uncertainties, we have a member of this House who suggests that the protection which is afforded to western producers should be removed. I suggest, again, that we can only conclude that the hon. member for Nanaimo-Cowichan-The Islands was not serious in suggesting that these are solutions which the government should adopt but, rather, he was really leading with his left in order to obtain a response. I hope I am providing that response for him.

In this context I suggest that the hon. member for Qu'Appelle-Moose Mountain and the hon. member for Nanaimo-Cowichan-The Islands have advised this House that they are giving consideration to the problem and that they recognize the historical context. I suggest they know there is a need in Canada for more exploration capital in order to get into the area north of the sixtieth parallel, into the Mackenzie delta and into the Arctic Island. I suggest they know, also, that there is a need for capital expenditures in respect of transportation from those regions, that there is constant pressure from the environmental agencies, that there are serious questions of regional inequalities and disparities, that the provinces are indeed in competition one with another and that there are offshore, political considerations.

In addition to this, all members know there is the question of monetary difficulty and monetary stability. I suggest that all members who have debated this matter today are aware of the difficulties and know that the suggestions put forward in this motion are made in order to encourage debate. The debate is now officially under way. We hear comments by members of the opposition to

[Mr. Blais.]

the effect that we should have a national policy, notwithstanding the fact that the minister indicated we are protecting our national interests through policies adopted by the government.

Opposition members are calling for a national policy in an effort to get the public involved. Surely they are attempting to engage in debate on this subject, having recognized all the difficulties cabinet faces in respect of the offshore situation, the monetary situation, the difficulties in respect of access to national resources, and the need for exploration capital. Surely they are not serious, in this particular context, in suggesting that the federal government could proceed with a national energy policy which would resolve all these difficulties. Of all the suggestions I have heard, that would be the most ridiculous. I have heard this not only from members of this House; I have heard it from the parliamentary assistant to the Premier of Ontario, who on two occasions stated the same thing.

That province has not seen fit to give sufficient importance to the subject of energy by naming a cabinet minister with responsibility for this particular topic. There is a parliamentary assistant in charge of energy. That is how serious that province considers the problem. When he took the question of energy under consideration he attempted to impose an energy tax. However, some of my constituents reacted to that particular attempt quite directly and quite articulately, and it was withdrawn.

I suggest energy is a very interesting and very essential part of government policy. It has to be analysed and reviewed. The plea of the hon. member for Qu'Appelle-Moose Mountain that we abandon our partisan interest in this situation should be considered with all its merits, and I hope we will endeavour to do so.

• (2030)

**Mr. Jim Balfour (Regina East):** Mr. Speaker, what concerns me most with respect to the crux of the remarks of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) is the basic premise which he appears to have adopted, that the posture of Canada toward our neighbour to the south should be that of protectionism in the form of severe restrictions on hydrocarbon exports, the creation of a two-price system and the elimination of the Ottawa valley line, on the assumption that these steps will operate to protect the security of supply of cheap fuel for Canadians.

I suggest that this is essentially a negative approach. I submit that in reality the so-called energy crisis, from Canada's standpoint, in fact creates opportunities for Canada which, if well managed, will result in short-term and long-term economic benefits for all Canadians, but if mishandled will result in the loss of opportunities for Canadians. In this respect I think it behooves us to analyse and draw conclusions from the initiatives proposed by President Nixon on April 18 and to consider the implications from our point of view of President Nixon's so-called energy message.

I suggest that this message makes it clear that sharp changes in United States energy policy are under way which will affect Canada and have the potential to seriously disrupt our domestic industrial strategy. Accordingly, any attempts to develop domestic energy policy initia-