

*Oil and Petroleum*

profits to the oil industry or larger taxes to the provincial and federal governments. We would be better to have cheaper fuel as long as we can, while at the same time paying to those who produce the commodities a reasonable return on their investment, and making adequate compensation to the provincial governments for the part of their public domain which is being diminished, in the hope that they will use all or most of the revenue to search for further supplies of energy materials.

**Mr. Macdonald (Rosedale):** Mr. Chairman, I might just indicate to the hon. member that the touchstone which the government uses in terms of long-range pricing of oil has been the ultimate cost necessary to bring on additional supplies for Canadians. However, it might be formulated, there is not very much difference of opinion between the hon. member and myself. The critical question will be, at the insistence of some of the producing provinces, how quickly we move to the higher price. The fundamental question, and it may be difficult, is what is the appropriate price for oil sands or frontier oil to bring on these additional levels of exploration and development? Of course, there will be attempts—this is the way of the world in some sections of the petroleum industry and I think it is the position of Imperial Oil—to say you have to go to world prices as quickly as possible. That seems to be the position of the Alberta government.

It is said we are engaged in confrontation. Because we do not happen to accept that particular opinion, we are told we are tearing confederation apart. As I said in the throne speech debate and again in introducing this bill, the formulation for pricing in Canada is to have a price level high enough to bring in incremental supplies for Canadians without abandoning our prices, as going to world prices would involve prices that might be set from time to time by OPEC.

There are those who ask, why shouldn't we be at world prices, when we have been before? May I remind the House that we were not on world prices before. For a period of ten to fifteen years the price paid by Canadian consumers was \$1, \$1.50 or \$1.70 above the world price. We have not been on world prices before. If it was appropriate at that time, as it was as a national policy, to ensure a higher return for those producers, it seems equally in the national interest that we should have the same balance in the other direction now that the circumstances have changed.

● (1620)

**Mr. Stevens:** Mr. Chairman, I am glad of this opportunity to take part in the debate at this stage of our proceedings. I believe no prophets and no members of the House should be more concerned about the passage of the bill before us than those from Ontario. I say this because we have a government which, through its incompetence and lack of understanding of the energy situation, is placing our fine province in the position of being literally dependent on supplies of foreign fuel in future years. This is a matter about which the 55 Ontario members of the Liberal caucus should be reminding themselves. How will they explain to their constituents the incapacity of their government in this field, a failure which according to the Minister of Energy, Mines and Resources will possibly

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

result in Canada being a net importer of crude in the early eighties? How will they go back to the electors who placed confidence in them and tell them that a country which has been self-sufficient in oil, and which could continue to be self-sufficient if the reserves under federal jurisdiction were properly developed, is now likely to be without ready access to crude oil supplies? I would point out that for Ontario, especially—a land-locked province—this is an intolerable position.

I suggest there are three important questions which member for Ontario should be asking themselves. The first concerns security of supply. The price of oil is one thing, but surely the paramount question is security of supply to Ontario, bearing in mind that of all current domestic production used in Canada approximately one-half is used in Ontario. We should never lose sight of this fact when considering a bill such as the one before us, which presumably reflects the over-all approach of the government to energy policy. We are the most vulnerable province in the nation, and the government is taking steps which will make sure that energy will not be available in a few years.

**Mr. Macdonald (Rosedale):** Do you want one price?

**Mr. Stevens:** The second question is, why is the construction of a pipeline still under consideration? Why are we not told the date by which it will become operational? So far, the pipeline has been discussed in terms of its going from Toronto to Montreal. I say it is more important, if hon. members opposite continue to support the incompetent Minister of Energy, Mines and Resources, that they should be asking the minister when he intends to build a pipeline from Montreal to Toronto to ensure that if we are to be dependent on foreign countries, at least we should have the advantage of a transportation system sufficient to get imports into Toronto.

The third question concerns conservation of supplies. There is probably no federal government which has done less, in practical terms, to conserve energy than the present government. In this connection I would mention that while Americans are striving to lessen their dependence on foreign oil and to work toward self-sufficiency, Canada is in the unbelievable position of drifting from self-sufficiency to dependency on foreign oil. In the United States, President Ford plans to lead his nation to self-sufficiency in oil production by 1980. Here in Canada, the Prime Minister appears to be willing to allow the nation to become dependent on foreign oil by 1982.

The United States is aiming at independence by way of better conservation measures and the development of yet untapped reserves. From being a net importer of oil, they plan to become a net exporter of oil. A few days ago, the Minister of Energy, Mines and Resources outlined a very different picture so far as Canada is concerned. He released the report of the National Energy Board which showed, in dismal terms, that Canada has only enough oil for perhaps 7.3 years, after which we would be dependent upon imports from foreign countries. Within eight months, Ottawa has changed its position very dramatically. Members who sat on the Standing Committee on Natural Resources and Public Works will recall that when he appeared before the committee, the minister stated, "We