

Petroleum Administration Act

As for the expenditure of the government on methods to substitute other forms of energy for oil and to promote conservation across Canada, the expenditures are being increased substantially and they, of course, can also be found in the budgets of other government departments such as Public Works and Canada Mortgage and Housing. All such programs are intended to reduce the dependency of Canadians on oil and increase the use of alternate forms of energy.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, in continuing the debate on the motion presented by the hon. member for Vancouver-Kingsway (Mr. Waddell), I would like to spend some of my time this morning and this afternoon discussing the effects that the Petroleum Administration Act and the increased prices suggested therein will have on the agricultural sector and on the food production capabilities of the country. I would like to place this subject in the context of world requirements, both for food and for energy, and to discuss briefly the kind of energy policy which should be shaped in order to take into account these special considerations, not only as food producers in some parts of our economy, but as individuals who must survive on this planet and who must pass on the ability to survive on this planet to future generations.

● (1250)

The motion we are dealing with specifically talks about natural gas pricing. However, we had a companion motion which has been discussed in the last few days which dealt with oil pricing. If it is within the order of the House, I would like to extend that to a broad discussion on energy policy, coming back occasionally to the natural gas aspects of it. Basically, there are three broad categories into which an energy policy should fit. An energy policy should fit into an industrial strategy for the country and for its regions. An energy policy should fit the current and future needs of the nation and its regions. An energy policy should also be cognizant of the needs of all users and provide the means of rationalizing consumer patterns for the various forms available to everyone.

The pricing regime proposed by the government misses the point on most of these counts. The accumulation on earth of hydrocarbons, that is gas, oil and coal, took something like 600 million years. These hydrocarbons accumulated because minute quantities of the sun's energy converted organic matter by means of photosynthesis. This stored chemical energy is being released by man in the form of heat, and also as a form of feedstock for many industrial processes.

We began man's development of these types of energy as a feedstock with the coal tar developments in Europe at the turn of the century. We have developed petrochemical industries in the world today to make use of crude oil as a feedstock. We have a fertilizer industry which is dependent, in part, on natural gas as a feedstock. The hydrocarbons which have accumulated over 600 million years are being used up, both as a form of energy and as a form of industrial raw material. Unfortunately, when one looks at the consumption of this 600 million years of accumulation, we find that man has dis-

covered how to use it on a fairly large scale in less than 200 years. During the latter part of the 1700s we started using coal in great abundance. We tapped into oil and gas 50 to 100 years ago. We are told that with the kind of use patterns we have established for ourselves at present, mankind will manage to use up the accumulated energy, which took 600 million years to form, in 200 to 300 years, if use patterns continue in the same way.

How has man decided, having been able to tap this kind of energy, what method to use to parcel up these rare, precious resources? Past practice has been to allow the market economy to do it. We have not adopted a legal practice which says, "Here, these are our resources. They have accumulated for our use. We should manage them for future generations as well as our own." Instead, we said, "anybody who can sit on top of a pool of oil, a vein of coal or a pocket of natural gas, can take it and sell it for whatever profit one can get." Therefore, we have allowed the profit motive to decide how to use up that energy. Of course, when one allows the profit motive to operate, to make the decisions in the economy, one finds that the decisions made are not always the best ones for current society, nor are they for future societies.

What happens under that kind of an allocation system? We find that areas with lots of wealth in terms of money and resources use these resources in great abundance. Areas that do not have very much in the way of energy resources do not get to share in the benefits of them. What we have developed and allowed to continue is a shortsighted and potentially disruptive practice of letting the market dictate.

It is two minutes to one o'clock, Mr. Speaker. May I call it one o'clock before I move on?

Mr. Deputy Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles) has given notice that he would like to raise a point of order.

Mr. Knowles: Mr. Speaker, I was consulting with the other House leaders, but this period of two minutes caught me and I was unable to get to the hon. member for Nepean-Carleton (Mr. Baker).

In view of the fact that the recorded vote, if it is requested, is to take place Monday rather than today, I would suggest that the putting of the question be deferred from 3.45 p.m. to four o'clock. In other words, I suggest that we put the question at four o'clock and have the vote on Monday as previously ordered. I suggest that now because we do not now know to which hon. member the extra time will be given.

Mr. Baker (Nepean-Carleton): Mr. Speaker, the purpose of my friend's interjection and suggestion is to allow members of the House to speak, and I think that is quite reasonable to have 15 minutes more in debate.

Mr. Collenette: Mr. Speaker, I can confirm the conversations. That follows the arrangement we had the other evening on the first proclamation under debate.

Mr. Deputy Speaker: Is it agreed?