

Energy Monitoring Act

monitoring, emergency supply of energy and conservation from a very special base.

Let me review very briefly the history which has given rise to this special problem. First, in the 1960s the far-sighted government of the Right Hon. John G. Diefenbaker wanted to develop the Canadian petroleum industry and, in order to do that, Mr. Diefenbaker's government had to encourage Canadians to make use of Canadian oil supplies. In order to bring about that situation, industrial and other consumers in effect had to be forced to use Canadian supplies in the sense of having been cut off from cheap foreign sources of energy in the form of Middle East oil and other sources of foreign crude oil. In those early 1960s there was established a line across Canada known as the Ottawa Valley line beyond which Canadian oil supplies had to be used. This system worked very well and had the effect of developing the Canadian petroleum industry in the face of the unfair competition of foreign oil supplies which were available at much less production cost.

This policy worked well until the early 1970s when the OPEC cartel was formed and the price of foreign oil was artificially raised to a point where it was much greater than the cost of Canadian oil. At that point it was too late to take any immediate action to make Canadian oil available beyond the Ottawa Valley line and particularly to the maritime provinces and eastern Canada. The only position the government could take to equalize the situation across Canada was to embark upon a program of subsidization. Over the years, since the early 1970s that has imposed on the Government of Canada and the taxpayers of Canada a tremendous dollar burden which has, in turn, affected the whole financial well-being of Canada in the sense that it adds on an annual basis to the already overburdening deficit we have in Canada.

Just to put the matter in clear and more up-to-date terms, in 1978, when the revolution occurred in Iran and overnight, there were two million or three million barrels of oil a day lost to the world market. The price of energy rose even more dramatically so that the world price for oil greatly exceeded the Canadian price, to the point where it imposed a great hardship on those Canadians who were forced to utilize foreign supplies of oil at world prices. The statistics I have indicated show that in the late 1970s and early 1980s the price differential between world oil and Canadian oil was in the area of \$43 a barrel for foreign oil and \$17.75 for Canadian oil. The burden on the government, in order to subsidize that difference so that all Canadians would have oil supplies available at relatively equal cost, was close to \$5 billion annually. Consumption at that point in those areas where there was no Canadian oil available amounted to 450,000 barrels a day.

When we look at statistics like that, we realize what a serious problem there is, not only for consumers and those who do not have Canadian oil supplies available, but also for the treasury of the national government, which must take steps to alleviate this difficulty. It is in the context of our knowledge of the dangers of exposure to foreign oil prices, bearing in mind the OPEC cartel, and in the context of being assured of a

continuing supply of energy at reasonable prices, that we on the east coast view legislation relating to energy.

• (1630)

The program that was announced by the government in 1980, the National Energy Program, had as its aim and goal self-sufficiency in energy for Canadians. In simple terms, self-sufficiency involves two important aspects: the first is security of supply; the second is price. Once the supply is secure it must be available to all Canadians at a fair price. To the extent that the National Energy Program had the rightful goal of sufficiency in energy with security of supply and a fair price, it could be endorsed by all Canadians. We have come to question whether that is really the goal and aim of the National Energy Program, however.

It included another concept which has caused a great deal of difficulty on the east coast, and that is the concept of Canadianization. Who in this House or anywhere in Canada would find fault with the concept of Canadianization of our industries, particularly such a vital industry as energy and petroleum? But is that really what the government intended? Has the Canadianization process taken place in the sense that we are turning control of our energy industry over to Canadians as individuals and as investors, or are we turning it over to the Government of Canada? In my view, that would not be Canadianization but would be nationalization; that is to say, making our energy industry a simple department, branch or agency of government.

I do not believe, and I am sure most members of the Progressive Conservative Party and indeed most Canadians do not believe, in the government's policy. This country embraces the principle of free enterprise. It was built on the principle of free enterprise, and if it is to succeed it will be on the basis of that principle of free enterprise. I want to highlight that point in my remarks because we have to consider the basic principles of our Canadian system if we are to assess Bill C-106.

There is a principle that is new to the Canadian government, and that is the principle embodied in the Constitution Act which was adopted at the weekend with much fanfare at an event which was graced by the presence of Her Majesty the Queen. Such events appeal not only to our sense of nationality but to our sense of tradition, which is based on our British ties and our involvement with the monarchy. The principle in the Constitution Act and in the Canadian Charter of Rights and Freedoms is that of equalization and the removal of regional disparities. The Government of Canada, through the Constitution Act, embraces that concept of equalization across Canada and accepts the removal of regional disparities as a challenge and a goal to be achieved.

How can the government do that unless it has the goal and aim of establishing fair energy prices for all Canadians? If it is going to sacrifice that goal of fair energy prices for all Canadians on the altar of a concept it has created and which is known as Canadianization, then it is not going to work to the benefit of people in eastern Canada. I want to warn Canadians about that.