

Natural Resources—Development

the question of fuel again—I may say that we seem to think once we get a pipe line piping gas into a town or city or pumping oil we are going to have cheap fuel. We forget that as long as there is competition the price will be kept down, but just as soon as the oil company gets control in a certain area and no other fuel is available, they will put the gun to you. As proof of that I am just going to read a few extracts from a letter I have from Langley Greenhouses Limited at Langley Prairie, British Columbia. This is signed by the president of the company. I am not going to read all of it, but it says:

In this connection we beg to advise you that during the past 12 months the oil companies have advanced their prices to us for fuel oil by approximately 20 per cent. This is for pickup at the refinery by tank truck. As our fuel oil costs us from twenty to twenty-four thousand dollars per annum the increase amounts to a considerable sum which we have to absorb in our operations.

When the Trans Mountain pipe line was completed we believed it would reduce our fuel costs, instead of this large increase. Our suppliers have been Imperial Oil Limited; their net earnings last year were \$69,100,000, a net profit increase of 11.3 per cent over 1955, and we believe it would be difficult for them to justify the large increase in oil prices.

This company believed that when the Trans Mountain pipe line went in there they were going to get cheap fuel. Once the other form of energy was eliminated oil prices began to rise. This is the trouble with having all your eggs in one basket. The same factors will apply equally to natural gas. Anyone who thinks he is going to get cheap gas in Montreal or Toronto once the competition of other forms of energy has been eliminated is going to be in for a rude awakening.

Mr. Hahn: They still sell coal there. I buy it myself.

Mr. Gillis: You will be able to answer later. You can make a speech. If you want to defend Imperial Oil, that is for you to say.

Mr. Hahn: I do not want to defend them, but there is still coal there.

Mr. Gillis: Once they eliminate competition you are at the mercy of the company. I had a call from a small industrialist in Toronto who went over to oil on the assumption that it was going to be cheap. He inquired of me where he could place an order for Nova Scotia coal for power purposes. He had switched over to oil and it was now so expensive he had to get out of it. I am merely suggesting that this whole fuel question has to be looked at rather carefully. You can pick out examples from newspapers in the United States and Canada where gas lines have broken, something went wrong with one of their manufacturing plants, and they had to move the people out of their homes

[Mr. Gillis.]

and find homes that were not heated with gas in which they could put those people until repairs were made. All these hazards will have to be faced, particularly with a line coming down from Alberta to the province of Quebec.

I am sorry the Minister of Mines and Technical Surveys is retiring from his post after this parliament. You know, you just get these fellows trained and they leave you. The minister has been doing a good job. I hope before he leaves the department he will leave as a monument to himself a national energy board to iron out the many kinks in connection with fuel at the present time and in the future.

I think one of the main problems in this country is the decentralization of industry. I believe the province of Ontario is in trouble now and will be in a lot more trouble within the next few years because of overdevelopment. In talking to the mayors of Canada a few years ago Mr. Frost said, without any equivocation, that all this additional development in the province was raising terrific problems in the municipalities with respect to schools and all the rest of it.

This is pretty well supported in an editorial which appeared in the *Ottawa Journal* on February 6. In a speech made by one of Mr. Frost's chief lieutenants in the legislature he pointed out the financial difficulties facing the province. He said the province had a \$45 million deficit last year, and that the debt to date was around \$700 million. He went on to point out the additional expenditures anticipated in the next few years, and finished up by saying that unless more help was forthcoming from Ottawa the province of Ontario would have to impose extra taxes, corporation taxes and perhaps go into the income tax field as well.

I suggest that the answer to the problems of Ontario is decentralization of industry. Decentralization of industry will help Mr. Frost considerably. Many of the industries that are being set up today in this province could be farmed out to other sections of the country, and that applies particularly to secondary industries. There is lots of room for them in the maritimes. Don't let anybody tell you there is any shortage of power in Nova Scotia. Nova Scotia can supply power to any industry that wishes to come in there. This is not my statement; it is the statement of the Atlantic provinces economic council, which has been doing research over the past several years.

Decentralization would relieve this province of some of its difficulties. As someone said this afternoon, this country would be very vulnerable in time of war. Two or three