

Canada Oil and Gas Act

Mr. Speaker, we are importing this vital commodity of oil from Venezuela, Saudi Arabia and Mexico at approximately \$42 a barrel. We are subsidizing everyone who uses energy to the tune of at least \$2 billion a year. More important, this \$42 a barrel is going out of the country. It allows Venezuela and Mexico to improve their methods of production and their search for oil at the expense of the Canadian taxpayer. I find that absolutely incredible. What do we pay our own producers in western Canada? Some \$17.75 a barrel—41 per cent of the price paid to other suppliers. Last July Alberta proposed a rapid increase in oil prices—but not that rapid, not \$42 a barrel. Today, under Alberta's plan, rather than \$17.75 a barrel they would be receiving \$19.25 a barrel. That is \$1.50 more per barrel. But this government would rather pay Venezuela, Saudi Arabia and Mexico \$42 a barrel than pay Alberta another \$1.50 per barrel. I wonder about those who are being called greedy and those who are. Who is ripping off whom? I wonder why there is a freeze in the relationship between Alberta and Ottawa? Why is there a threat to the new oil sands plants?

I would like to address the subject of these oil sands plants. Some \$9 billion is to be invested in the plant at Cold Lake. There is another \$9 billion waiting to be invested in the Alsands project in Fort McMurray. There is no one from either project coming to the government asking for help. The capital investment is there ready to be invested. Our oil supply will increase by 300,000 barrels a day when it comes on-stream, which reduces our dependence on offshore oil. It immediately creates approximately 14,000 jobs in the construction industry. More important, it stimulates the economies of Ontario and Quebec—central Canada. Where do you think the steel comes from? Where do you think the pumps and motors come from? I invite hon. members from Ontario and Quebec to look around in their ridings at the economic stagnation which is taking place. I ask hon. members to envisage how it could be revitalized by the kind of investment I am talking about—\$20 billion.

Mr. Deputy Speaker: Order, please. The Chair has listened to the debate with considerable interest, but I would like to call to the attention of the hon. member that the bill before us is C-48, which deals with the specific subject of policy. It seems to be a general problem with this debate that some speakers are not directing themselves to the bill before the House. I invite the hon. member to do so.

Mr. Shields: Thank you, Mr. Speaker. The point I am trying to make is that the focus of Bill C-48 completely ignores the conventional oil industry in western Canada. This bill, as it relates to the National Energy Program, focuses all incentives on frontier areas and the offshore. In so doing it ignores the question of the very necessary supply which is needed for the 1980s. That is why my remarks moved in the direction of the conventional oil industry in Alberta. It is why I was trying to impress upon the members of this House, Mr. Speaker, and yourself, that it is a very shortsighted view the government is taking in this respect. Certainly we want to Canadianize the

oil industry. Certainly we want to explore the offshore, the Beaufort Sea and in the north on Canada lands. Certainly we want to do this, but not at the expense of jeopardizing the conventional oil industry in western Canada.

Mr. Speaker, we are coming to a point where the western basin is being ignored. What we are doing is putting more dependence on offshore and foreign oil. Everyone knowledgeable in this area has said time and time again that there will be an interruption in that offshore oil supply.

● (2030)

An hon. member opposite earlier mentioned the Heritage Trust Fund. I would like to reply to his comments by suggesting that every province in this country has a heritage trust fund. Both Ontario and Quebec have heritage trust funds. For example, let us look at Ontario Hydro and Quebec Hydro. The trust fund which they have takes the form of a renewable resource which will go on and on and supply employment for the children of today and their children's children and will be vital to the economy. Conventional crude in Alberta will not be there in ten years or 15 years. The oil is being taken out of the ground in exchange for dollars which will be held in the fund for my children and my children's children. Why is that so hard to understand?

Of the two tar sands plants, it is estimated for each plant that \$3 billion will have to be borne by the taxpayers of Alberta to pay for the costs of the infrastructure such as the expansion of highways, railroads, the building of new hospitals, schools and new towns out of nowhere and from nothing. That expense will shoot the hell out of the Heritage Trust Fund. I suggest that hon. members opposite get off that subject and quit harping on it.

Another hon. member mentioned the very generous contribution made by central Canada and particularly Ontario to the oil industry through subsidization in the early years. From 1962 to 1972 that total subsidy was \$639,321. I will break it down into years. In 1962 Ontario consumers paid \$3.06 for a barrel of oil. The price for a barrel of imported oil was \$2.84. The difference in the price or the subsidy was 22 cents per barrel. The crude run in Ontario in 1962 was 85.2 million barrels at a total subsidy of \$18,744. Jumping to 1970, in that year the Ontario consumer paid \$3.13 per barrel. The imported oil price was \$2.45. The subsidy, which was at its highest, was 68 cents per barrel. The total crude run into Ontario that year was 130.8 million barrels for a total of \$88,944.

In 1975 the Ontario consumer paid \$7.44 for a barrel of oil as compared to the imported price of \$12.50. Hon. members will notice that the subsidy has now turned around. The subsidy borne by Alberta that year was \$4.81 per barrel. From the year 1962 to 1972, the total subsidy paid by Ontario to the western oil industry and the Alberta industry was \$639,321. During the period 1973 to 1980 the subsidy paid by Alberta was \$9,911,850. Let's hear no more about subsidy.

Bill C-48 focuses on the offshore, the frontier and anything that is Canada lands at the direct expense of the heavy oil industry, the tar sands industry and the conventional industry