

western oil has gone elsewhere for exploration. These companies get depreciation allowances, depletion allowances and reports show that they pay less than 6 per cent tax on their book profits.

We in this party contend that the only justification for higher oil prices is to secure revenue to develop oil resources for Canada under Canadian ownership and control. Any increase in the price of oil should go to the treasuries of the oil producing provinces and to the federal government to be used to develop the oil sands and the frontier oil under public ownership and within the control of the Canadian people.

That brings me to the second policy decision which the government will have to make in this session and that is one regarding a national petroleum company. The New Democratic Party were the first to advocate the establishment of a national petroleum company which would have three main functions: First, to be the sole purchaser and seller of all oil products consumed in Canada; second, to purchase one or more of the major oil companies to provide competition in the oil industry; and third, to participate in the development of the oil sands and frontier areas alone or in conjunction with the provincial governments concerned.

The Prime Minister announced that the government was accepting the concept of a national petroleum corporation on September 6, last. We were skeptical of the government's intentions then and we are more skeptical now when we examine the statements of the Minister of Energy, Mines and Resources.

Let me point out first of all that according to the minister's statements, the national petroleum company will not—and I emphasize “not”—take over a major oil company engaged in refining and marketing but only in exploration and development. He made a statement to a Liberal constituency meeting of York-Scarborough held last Saturday night which, the *Globe and Mail* of March 4 has reported as follows:

Asked about plans for a national petroleum corporation he assured questioners several times that there is no intention to get involved in an integrated oil marketing operation. “He said if the corporation buys an existing company it will be one engaged in exploration and development of oil-bearing land, not one that refines and markets petroleum products”.

Mr. Speaker, I want to ask, where is this exploration and development going to take place? The millions of acres that are likely to be oil-bearing or gas-producing are already hypothecated to the multinational companies through permits and leases. If all the national petroleum company is going to be is another small company drilling for oil on Baffin Island, I say to the minister—forget it! This is a time for a frontal attack on the oil and gas cartels that have ravaged our resources and exploited our people. There is no time for the government to get into the oil business by the back door. We must start by taking over the largest of the companies, Imperial Oil, which would give a national petroleum corporation access to the oil fields, refineries and control of the interprovincial pipeline.

I should also like to point out, Mr. Speaker, that this national petroleum corporation as outlined vaguely by the Minister of Energy, Mines and Resources will not—and

*The Address—Mr. Douglas*

again I emphasize “not”—participate in the development of the oil sands nor prevent those resources from falling under the control of United States oil companies that already control 91 per cent of our production and 99 per cent of our oil refining. In his statement to the House last Friday the minister said, as recorded at page 86 of *Hansard*:

● (1450)

While the major thrust of this corporation will be in the form of exploration in the frontier areas, we are of the view that it should also contribute to the development of the large petroleum resource existing in the Athabasca oil sands both through mining techniques and through in situ extraction methods.

I draw the attention of the House to the words, “both through mining techniques and through in situ extraction methods.” Apparently the minister has no thought of the National Petroleum Corporation going into the production of oil in the Athabasca tar sands. This is the usual Liberal technique. The public company will spend public funds for the engineering and research and then turn their findings over to the oil industry, who will then gouge the Canadian people for the privilege of using their own oil. So far as I am concerned, I am not prepared to accept a national petroleum corporation which is merely a bird dog for the major multinational oil companies. I have no intention of becoming a partner in perpetrating a cruel hoax and transparent fraud on the Canadian people.

That brings me to the third policy decision which will have to be made by this Parliament during this session. We must determine who, and under what circumstances, is going to develop the Athabasca oil sands and heavy oil deposits. I cannot believe that the government does not know how serious the oil situation is in this country. When I recall how they were misled, and in turn misled the country, about gas reserves in 1970, as revealed by the former Liberal cabinet minister Eric Kierans, it is quite possible that the government is being deceived again.

Recent studies which will be published shortly show that conventional oil reserves in this country could be exhausted in less than ten years. They also show that by 1980 Canada could have a deficit of one million barrels per day between supply and demand, if the present rate of Canadian consumption continues and if we continue to export Canadian oil at the same rate as we are exporting it at present. There is no possibility that sufficient oil will be on stream from the oil sands or the frontier areas to meet a deficit of those proportions. This country is in a race against time. We are racing to see whether we can develop new sources of oil before our present conventional sources are completely exhausted. The real energy crisis—at present we are suffering from a crisis of delivery—is going to hit this country in five or six years.

What steps should we take to meet this threatened crisis? I suggest we should do three things. First, we should begin now conserving oil and gas consumption. Many electrical generating plants could be switched to coal or other fuel for generating electrical power. Second, we should begin phasing out our exports of oil and gas. It is only fair to tell the American people what lies ahead. We should phase out our exports in such a way as to give them adequate time to secure other sources of supply. Third, we should begin immediately negotiations with the