

Energy Supplies Emergency Act

States. The oil majors have used this country as a source of supply. They have sucked our reserves dry wherever they could get away with it. That is why today we are faced with the prospect of a 10 year life index for our present supplies of conventional oil.

Almost every plan that has been brought forward has the same end in view. Only a few months ago the present government, with the support of the official opposition, talked about a pipeline from Prudhoe Bay to the United States at a cost of \$6 billion or \$8 billion to take oil south. The government is prepared to entertain applications for the Mackenzie Valley pipeline to take gas from the Mackenzie delta to the United States. Some American companies have already made prepayment for that gas. They have advanced \$75 million to PanArctic, in which the government has a 45 per cent equity, in order to get their hands on gas.

We export electricity. We will be shipping more and more uranium. We are exporting water power. If we are in a crisis situation now, let us not forget that the foreign-owned and foreign dominated multinational corporations have brought us to the position in which we find ourselves.

Some hon. Members: Hear, hear!

Mr. Douglas: They have taken the position that the price they would get for our products and which they would charge us for the privilege of using our own products would be the highest price they could get on the world market. We have had two prices set in Canada. We have had the Chicago price, the American midwest price, or the gulf coast posted price which is based on prices in Texas and Louisiana. They set the price we pay.

It was only on September 4 when the government finally took its courage in both hands, and I congratulate them for doing it, that we sought to cushion Canadians against the disastrous rise in the world price of oil. We froze the price of Canadian crude until January 31. We put an export tax on the differential between the Canadian price and the Chicago price with the money to go for future development of oil in Canada. I have said in this House before that I would certainly favour turning all of that export tax back to the oil producing provinces on condition they use that money to develop the oil sands and oil shale so that these resources can be developed by Canadians for the benefit of Canadians and under the control of Canadians.

Some hon. Members: Hear, hear!

Mr. Douglas: We have had an oil policy in Canada by the oil industry, for the oil industry and to enrich the oil industry. We are in a situation today where our oil reserves are being rapidly depleted. We passed the peak in 1972. In that year, our oil reserves showed a decline for the first time in our history. We probably only have 10 years left in which to busy ourselves with the task of developing other oil supplies, preferentially the oil sands of Alberta and Saskatchewan.

My criticism of this legislation is that, while the minister has brought forth a mechanism which is necessary to allocate what oil supplies we have, he has not yet enun-

[Mr. Douglas.]

ciated a policy to ensure that now and in the future there will be security of supply. Nor has he stated what his policy is with regard to how the government proposes to insulate the Canadian consumer against rising world prices. Let us not deceive ourselves, Mr. Speaker, into thinking that this energy situation is of short duration.

● (1640)

I think it was on television last night that the Conservative member for Calgary South (Mr. Bawden), speaking of the fact that Mr. Shaheen had said there would be 100,000 barrels a day available from the Come-By-Chance refinery in Newfoundland, told us that in these circumstances the energy crisis was over. Mr. Speaker, it is not over. The Minister of Energy, Mines and Resources talks of the crisis from time to time as though it were solely the result of the Arab-Israeli war and that if this war could be settled our problems would be over. Our problems would be easier, but they would not be over.

The growing demand for oil throughout the world, the fact that the United States had to increase its oil imports by 31½ per cent this year, the fact that in our own country available reserves are being used up at an alarming rate, as are our resources of natural gas, all indicate we are heading into a crisis. I would suggest that if the diminution of our oil reserves continues at its present rate, by 1978 or 1979, unless oil from the tar sands is on stream, the country will face a much more serious crisis than it faces presently. Therefore, I say the government must make two things clear: first, the principle upon which the allocation of resources is based, and, second, the price structure it intends to follow.

Let me deal with the first proposition. At the present time there is no oil shortage in Canada as a whole; we produce more oil than we can consume. Our only problem is that we do not have a delivery system to take western oil to eastern Canada and that in some areas we do not have the refining capacity to produce the middle distillates and bunker fuel we need. For this reason, there needs to be some system of allocation in order to ensure that Canadians in one area are not in a surplus situation while residents in another part of the country suffer hardship. In the legislation before us I see no criteria set out to ensure equitable distribution. I know mention is made of distributing supplies on the basis of the existing market position. But if this is done we shall drive a lot of the small independents out of business—indeed many of them have already been driven out of business.

When oil was in surplus supply in Canada, the major companies were glad to use the small independents to take surpluses off their hands and dispose of them at lower prices, provided they did not use a brand name. The independents performed a useful function from the point of view of the oil cartel. But in the last year or two when oil was becoming a scarce commodity, the small independents were slowly being starved out. I could give the House a list of small independent companies which have been forced to the wall, of independent retailers who have been forced to close their doors.

I hope that before the bill is passed we shall be able to insert a clause into the bill which will ensure that independent wholesalers, independent brokers and