will be for the first time—what it is doing and what it is setting out to do.

I have referred to the fact that this is an extremely large market that we are getting into, the international oil market, and it may cost the purchasers of imported fuel $160 billion this year. It should also be borne in mind that while Canada is relatively self-sufficient in oil we are, unfortunately, rather small in terms of the amount we are importing out of the gross amount to which I have referred. That is why I think any mechanism with respect to compensation could have far reaching results for Canada. This is a big market and any mistakes we make will also be big. For example, in 1973 it is estimated that total world exports of oil amounted to $27 billion U.S. Exports in 1974 are estimated to be running at nearly $100 billion. As the price has expanded so much in such a large market, there is a great chance that we in Canada could be "taken" if we are not sharp in the drafting of our legislation, in our administration and in the handling of the compensation program.

● (2040)

I believe others wish to speak on this bill. I know our time is limited. I wish the government had been far-sighted enough to build a pipeline transportation system in Canada which would have guaranteed Canadian self-sufficiency in oil not only in theory but in practice. It is tragic that we in this country must impose an export tax on oil and use the net proceeds of that tax to pay for the excess cost of importing roughly the same amount of oil as is exported for the other side of the country. I believe no other country in the world can claim that its petroleum resources have been worse managed than our resources under this government.

Most alarming of all is this: the government does not feel any great urgency in making sure that the pipeline transportation facility is built even now so that domestically we may be guaranteed self-sufficiency in energy. At the committee hearings, after reviewing the Montreal-Sarnia pipeline extension which, admittedly, will cover only 25 per cent of the eastern Canada shortfall and 50 per cent of the shortfall at most, the minister said that the all-Canadian pipeline is still under review. He was talking about a Canadian pipeline which would carry enough oil from west to east, or east to west, if we are lucky enough to find oil in the east, to ensure self-sufficiency. Surely this should be a priority program. In addition, the government should plan to make sure that the resources of this country, including the tar sands and other resources in frontier areas, are developed without further delay so that there will be no more shortages in Canada of fuel, especially oil.

To conclude, I urge that once the bill has been referred to committee the minister and committee members do all in their power to make sure this legislation is properly scrutinized. Let the committee hear all appropriate witnesses. At all costs, let us not railroad this bill through committee in the same way as other legislation has been railroaded through by the government in the past year.

Mr. Doug Rowland (Selkirk): Mr. Speaker, as there is a general disposition in the House to end the debate on second reading this evening and as at least one other hon. member wishes to speak, I will restrict my remarks to a single point.

The recurring theme of the New Democratic Party in this House for the past few months is that the House, in this session, will need to deal in a concrete way with three questions relating to energy policy. It must decide, first, what is to happen to the price of petroleum and petroleum products in Canada once the voluntary price freeze ends on March 31. The bill before us deals with that question. Second, what form will the national petroleum corporation take? Is it to be simply a research group, or will it have other powers? Third, who, and under what circumstances, is to develop the new petroleum resources, new conventional resources and new synthetic resources such as may result from the exploitation of the Athabasca tar sands, the heavy oil deposits and other energy sources in the frontier areas of Canada? The answers to these three questions are interrelated. I want to indicate to the House this evening that you cannot act in one of these three areas without affecting the others.

This bill answers to the satisfaction of the government what is to happen to the price of oil once the freeze of $4 per barrel at the wellhead is lifted. The price is to increase to $6.50. Producing provinces will be given extra compensation for their oil. They will obtain additional revenue and will participate to a degree in the prosperity they have a right to expect because of the increased world price of oil. At the same time, the export tax will enable the federal government to obtain revenue which will make possible a single price for petroleum and petroleum products across the country. The tax will be used to offset the higher prices for petroleum and petroleum products which must be paid in eastern Canada, partly as a result of the Ottawa Valley line which was created either in 1961 or 1962. Under this legislation, the federal government will also undertake to compensate the oil companies for any disadvantages they might suffer in attempting to hold the price line in eastern Canada on petroleum and petroleum products. The disadvantage I speak of is the difference between the world price and that set for western Canadian crude.

The answer to my second question, what will be the form of the national petroleum corporation, is closely related to the first question. The problem members of parliament face is calculating the compensation that is to be paid to all companies to offset any disadvantage they may suffer because they cannot charge the higher international price. How will we know that the compensation to be paid by the people of Canada to those companies bears any relation to the actual disadvantage from which the companies suffer? The minister told the House that he will have the right, which he will exercise, to examine the books of Canadian petroleum companies. The problem is that Imperial Oil of Canada is a subsidiary of Exxon. Exxon is an international corporation and the minister has no right to look at Exxon's books. It does not matter to Exxon what price it charges its subsidiary. if the subsidiary is to be compensated by the treasury of the government of Canada. The member who spoke before me spent considerable time on this aspect of the question. I agree with him; there is a difficulty here.