

just a disaster bail-out which does not really reach the Canadian producer in Alberta, who is the one we should be trying to reach. The Canadian producer really needs help, and it concerns me that in the weeks and months ahead there is a real danger that many Canadian producers could go under. The progress we have made is shared by all three Parties. I want the Conservatives to be honest when they talk about the National Energy Program and I will be honest when I talk about them. All three Parties, including the Conservatives, supported Canadianization of the industry. We have different ideas and philosophies about Canadianization but we all supported it. To put it broadly, we thought that Canadian companies, whether public, private or mixed, in many ways would serve the interests of Canada better than having a vital and strategic resource such as oil controlled by outsiders, and I will not put it any higher than that. I am afraid we are in danger of losing the progress we have made towards more Canadianization in the industry.

● (1630)

The National Energy Program wanted to have 50 per cent Canadianization by 1990. I think it succeeded. We are up there. But to have 50 per cent of one of our most crucial industries controlled by ourselves is no great shakes. Perhaps we should have more. Perhaps our goal should be higher. Certainly, if our Party were in power we would make the percentage of Canadianization higher.

I do not believe this Bill will solve the problems of the western Canadian oil industry because I feel the only thing which will solve the problems of that industry will be higher prices. Oil prices are too low. It is as simple as that. What is needed is justice for the producer and for the consumer.

[Translation]

Mr. Speaker, this Bill is not going to solve the problems facing the oil industry in western Canada. What we need is a policy which is fair to producers and consumers alike. For producers, it means a good price; for consumers, it means a competitive industry selling its oil products at a fair price.

[English]

Let me try to explain that in a little more detail. I think we have to be fair to the producer and to the consumer, and that means that when the prices are going through the roof, as they were a few years ago when OPEC under the former chief, Sheikh Yamani, pushed the oil prices up dramatically, the Canadian Government puts a ceiling on the price. So Canadians paid less for their gasoline than the Americans. That was given justice to Canadian consumers because it is our resource. But Canadian producers paid a price. They would have received artificially higher prices, forced up prices, but higher prices nevertheless. But they lost money, although when they exported oil, they did get the world price. Now that the price is going through the basement, what a fair Government would do is to put a floor on that price. My Party has advocated that. My Leader, the Hon. Member for Oshawa (Mr. Broadbent), advocated it in Oshawa and in Calgary. One can criticize us

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for the policy, but please do not say we are inconsistent, because when prices were going through the roof we said: "Let's have a made in Canada price".

In order to get the body politic—and in Canada that is often defined as the consumers in Ontario and Quebec—to accept it, it seems to me we have to do something in return. What we have to do is to ensure there is fair competition and the lowest possible prices at the pump level. We do that by changing the situation we have right now. We have a monopoly, an oligopoly, really, of a few producers who control these large companies, including Petro-Canada, who are integrated. They control the refining and the wholesaling of gasoline. The small independent person who sells gasoline is struggling to compete and sometimes he can get frozen out by various methods so that prices are forced up. Sometimes, and we saw it happen over the past year, when there is a decline in the world price for oil, it is not passed along so quickly to the consumers. I want to underline that. The small Canadian firms, the producers, are the ones with the real problems right now because their price has gone down so much. The large integrated oil companies can survive because they have what we call "the downstream". The upstream is the drilling for oil and producing it. The downstream is the selling, the refining, wholesaling and marketing at your corner gas station. In the downstream, the companies are doing all right. *The Calgary Herald* on October 29 published a story by Peter Morton. The headline reads: "Integrated firms' outlook brightest", and I will quote it in part:

The third-quarter results (of the integrated companies) were excellent relative to what others were experiencing.

Integrating means produce, refine, wholesale, retail, and that would be companies like Shell, Gulf, Texaco, Imperial and so on. And this was said by Phil Swift from Deacon Hodgson Inc., which are investment and oil analysts. He went on to say:

Among the integrated companies, Imperial Oil Ltd., Shell Canada Ltd., Texaco Canada Ltd. and Husky Oil Ltd., all reported increases in downstream earnings.

Most of the integrated oil companies were showing sharply higher earnings from refining and marketing operations because of the 90-day lag between crude oil supplies and refining output—

So in fact they were doing all right. I have another article from *The Toronto Star* on October 24, 1984. It reads: "Shell post gains after East Coast pull-out".

At the end of the article the President of Shell described the results as encouraging. He said that in view of the depressed oil price environment and the exploration write-off, the drop in resource profits was partly offset by some restoration of oil products results. That means refining and selling the gasoline and oil for automobiles. *The Globe and Mail* on October 29 said: "Imperial Oil's downstream profit in the last three months was \$90 million compared with \$16 million the year earlier and \$93 million for all of 1985".

What is happening in Canada is that the large companies are squeezing the downstream and making money so they can