

nesses whom we want to appear before the committee are not given an opportunity to do so. I sincerely hope that the minister will do his best to ensure that any witnesses we as a caucus see fit to call before that committee will be given an opportunity to appear before it and receive a proper hearing. For his own protection, the minister should allow the committee to investigate intensively the provisions of this bill. He cannot hold a club over the committee as he did previously when we were attempting to deal in a prudent way with the allocation bill. At that time, in his mind anyway, a dreadful crisis was hanging over Canada which did not afford us an opportunity in time to review the bill properly. I suggest that Bill C-18 does not have to fall into that category and it should be investigated intensively.

Let us accept the fact that the total tax raised with respect to our exportation of oil will be between \$1 billion and \$1½ billion. Granted, that is a large amount of money, Mr. Speaker, but we have to weigh whether it will be sufficient to cover the cost of the importation of oil into eastern Canada as contemplated in this bill. I say this because I found it interesting that in the international economic report of the President of the United States, issued in February of this year, the total costs of oil imports to certain countries around the world, including Canada, were estimated. In that publication they project that the Canadian cost of importing oil in 1974 will be \$4 billion, compared with \$1.3 billion last year. They point out that this is an increase of \$2.7 billion in extra expense to somebody in Canada for the cost of our oil imports.

In the committee we questioned the minister on whether he agreed with that figure, and frankly I was startled to find he would not even hazard a guess as to the cost to Canada. Yet our neighbour, the United States, a month earlier was able to publish the estimated figure for Canada and for other countries throughout the world. Surely we must find it alarming that we have a bill before us drafted by a minister and his department who cannot even tell us what possible cost they are attempting to cover. We know the amount of the export tax to be between \$1 billion and \$1½ billion. That is why I say we in the committee must be very cautious to determine to what extent, under the compensation formula, costs may run at a much higher level than anybody to date has foreseen.

We see figures given in publication after publication. I refer, for example, to the February edition of *The Petroleum Economist*. They point out that the total cost of fuel to consuming countries in 1974 will likely be \$160 billion. In short, Mr. Speaker, we enter a tremendous money field when we start dabbling in international trade in oil and petroleum products. We need an act with teeth in it to guarantee that multinational companies, the tanker lines and those working with them, will not be able to put Canada into a rip-off position such as we have never seen before.

● (2030)

I anticipate that Aristotle Onassis will jump with glee when he hears, as he must, that the Canadian government is contemplating a compensation plan such as the one before us tonight. I find it odd that when we speak of Onassis we get right back into the Olympics. As most members know, his ships are called *Olympic*, and for those

#### *Petroleum Administration Act*

who are interested in knowing the number of Onassis ships that may be involved in the compensation plan that the minister is asking us to accept I would refer them to the Shipping and Shipbuilding Directory which shows the magnitude of his fleet and that of certain other shipping magnates who are waiting to carry oil into Canada.

Having said that, Mr. Speaker, I say that the minister should be much clearer than he has been to date on how they not only intend to audit the delivery and cost slips but how they will ensure that the cost of the fuel delivered has not been marked up, through tax havens or excessive tanker costs, on the way to Canada. Most people agree that this market has been dominated by cartels for many years. In a book which deals with large international firms in developing countries, and specifically the international petroleum industry, a passage deals with the tremendous interrelationship between the world's great oil companies, the producing companies and the tanker fleets which deliver the products. At page 151 appears the following statement:

In the nature of the case, any such cartel arrangements would be kept as secret as possible, and much of the evidence for their existence would have to rest on inference from the observed behaviour of the companies. The Federal Trade Commission—

That is referring to the United States Federal Trade Commission.

—in its report, *The International Petroleum Cartel*, made a comprehensive attempt to collect the available evidence, and, as the title of their report implies, concluded that the designation "cartel" was appropriate. The report did show that some of the companies had attempted to establish marketing cartels in numerous markets before the Second World War, that all were very much aware of the desirability of limiting rivalry among themselves and of respecting each other's markets, and that a worldwide pricing system was effectively in operation for varying periods.

Mr. Speaker, this is the type of market that will benefit from the compensation policy proposed in this bill. Prices differ sharply from country to country. For example, if the cost, including transportation, is \$11 per barrel for Saudi Arabian oil and \$9 per barrel for Venezuelan oil, there is no guarantee that the importing company in Canada will not route the \$11 oil to Canada and the \$9 oil to a sister company, say in the New England states, because of the \$2 per barrel compensation that the Canadian government will pay if this bill is passed. That is the type of situation that we have to analyse. When we realize that we are talking in terms of a million barrels a day, we can see the rip-off that could take place if there are loopholes in the formula. Perhaps \$2 million a day is not much money to the Trudeau government at the rate they spend, but I suggest that even they have to be cognizant of the impact of a drain of \$2 million per day over a period of years.

From time to time the government has referred to the new price for oil as being an increase of \$2.50 per barrel. Now they are trying to say that it was always their intention that the increase should be \$2.70. Mr. Speaker, while a 20-cent difference may not sound much, I would point out that it is 8 per cent. When you are dealing with figures of the magnitude that we are with regard to oil in Canada, 8 per cent is an extremely significant figure. As parliamentarians, I feel that we must be exceedingly cautious and not accept the bill at its face value without its being demonstrated that the government knows—maybe it