

*Petroleum Administration Act*

**Mr. Woolliams:** Somebody from the Liberal Party says 99 cents. Whatever it is, it will cost the taxpayers between \$40 million and \$50 million. I have a recommendation to make to the House, and I make it seriously. I suggest that the president of the proposed company, an idea which the NDP sold to the Liberal Party—they are all socialists, anyhow—should be the Minister of Supply and Services, because with his ability to purchase oil you know what the oil companies would say.

**Mr. Deputy Speaker:** Order, please. I am sorry to interrupt the hon. member—and this is not what the oil companies in Calgary would say—but his time has expired. He may be allowed to complete his remarks but it would require unanimous consent. Is this agreed?

**Some hon. Members:** Agreed.

**Mr. Woolliams:** I will be very brief, Mr. Speaker. I would like to see the minister appointed president of the company, because then they would realize the imperfections of a federally-run company. You can rest assured, Mr. Speaker, that the companies which have found oil and the natural gas will find that there is no competition when they have the minister as president. That is my recommendation, that the Minister of Supply and Services be named president of the new company.

**Some hon. Members:** Hear, hear!

**An hon. Member:** Goyer for president.

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, I speak on the bill before us tonight having read some of the speeches in Hansard and having heard others speak in the House on this legislation. I find it interesting to note in particular that at page 1235 of *Hansard* the Minister of Energy, Mines and Resources (Mr. Macdonald) is reported to have said:

—I would like to join with the Prime Minister in asserting that federalism triumphed in reaching a solution to a problem which was at its heart a matter of relative equities and sharing within our country.

This is not the first time I have heard that comment about federalism being triumphant. But surely the minister in making that type of statement is glossing over the hard fact that if there had been a little more foresight on the part of the Trudeau government or the Liberal government that has governed this country since 1963, there could well have been no crisis or disaster over which federalism would have to triumph. Surely it is a strange but accurate observation that this government gets into trouble repeatedly and then, rather than admit that they should have foreseen what transpired, they take credit, if they can, for coming out with some type of a solution. I trust that come an election, the electors of Canada will not accept the explanation given by the government concerning this type of situation. I believe that federalism has triumphed, not because of the Trudeau government but in spite of it.

Now I would like to deal with specific clauses in Bill C-18 because I believe that the government has left us open, perhaps inadvertently, to a serious drain should their administration of this legislation not be as successful as expected. I am referring to the petroleum import cost compensation sections of the act beginning with clause 51.

[Mr. Woolliams.]

I think it is fair to say that, subject to the various safeguards that they have put into the bill, the minister is contemplating that an importer of petroleum products, or of petroleum itself, will be entitled to apply for and to receive compensation for the amount that he pays for his foreign product over and above a stated level as set out in the bill.

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This matter was first raised in committee, and we in the committee were quite surprised at the lack of precision which the minister's department showed in defining how exactly the compensation would be determined. Let us put it in the simplest terms. The departmental officials are indicating that they feel they can audit a system of costing at the Canadian import point that will justify their compensating the importer really with no limit. I stress "really with no limit" because surely most of us here were quite surprised during the last two weeks to learn that, on the instructions of this minister, the Department of Supply and Services in early December last purchased fuel oil at a price of 89½ cents to be delivered at the Black Sea.

If we translate that into the cost of the fuel per barrel, it can readily be seen that it was over \$30 a barrel which the Department of Supply and Services, at the request of the Minister of Energy, Mines and Resources (Mr. Macdonald), paid for that fuel. Not only did they pay virtually the highest price in the world for the fuel, but by accident or otherwise they ended up paying at the rate of 10½ cents a gallon to have it shipped from the Black Sea to Canada. That again works out at almost \$3.50 a barrel, or almost the price of our domestic oil at that time. I repeat, it works out at almost \$3.50 a barrel simply to have the oil shipped across the sea to Canada. On the formula that this bill contemplates we would find that an importer of that fuel could pay those kinds of prices, which presumably he can justify and have it documented, both as to transportation and the actual cost of the fuel itself, and then turn to the Canadian government and say, "Compensate me for the difference between the basic price level in Canada and the cost of my importation."

I suggest that this is a rather alarming situation for the people of Canada to be getting into. It is virtually a blank cheque proposition to those who may, to give them the benefit of the doubt, through sheer stupidity buy oil at unduly high prices throughout the world or, worse than that, enter into some type of conspiracy to see to it that relatively large rip-offs take place, knowing that the government of Canada will pick up the tab. That is why I was particularly pleased today when the minister indicated he was willing to have this bill go to the standing committee, because I believe that these clauses, not only the compensating clauses but certain other clauses in the bill, deserve very close scrutiny before they are passed by the House. But my pleasure in having the minister agree to having the bill referred to the standing committee was lessened somewhat when he qualified the extent to which we would be given an opportunity to hear witnesses concerning the bill.

We who sit on the national resources committee have been very disappointed with the guillotine that has been used by the NDP and Liberal members who sit on the steering committee with respect to guaranteeing that wit-