

Energy Supplies

Just the other day during question period in a dispute with a Conservative member, the Minister of Energy, Mines and Resources said that we do not want Exxon to solve our problems; that we are going to solve our own problems. I agree with that, but how does the minister propose we settle our own problems? He says we will settle the problem not by the Government of Canada dealing with Venezuela, but that we will settle the problem by telling Imperial Oil to deal with Venezuela. Does anybody think that Imperial Oil, owned and controlled by Exxon, is going to go to Venezuela and make a deal with them if its parent company says it cannot do so?

I am not going to launch a tirade against Exxon or Imperial Oil, Mr. Speaker. The great oil companies, like any other monopolies, have two basic goals. The first is to maximize their profits, and the second is to look after the interests of the country in which they were formed. That is understandable. If Exxon has to make a decision about where it will cut supplies, it is going to cut them in any country other than the United States. A Canadian company would certainly give preference to Canada and I would expect it to do so, rather than to another country.

What is happening, and this is being demonstrated by the crisis through which we have passed, is that when it comes to determining how much oil Canadian consumers will get, those decisions are not going to be made by the Government of Canada, not by a publicly-owned oil company in Canada, but by an international company like Exxon, or any of the other multinational companies, without regard to what the Canadian government say, or what is in the best interests of the Canadian people. That is why we in the New Democratic Party believe the time has come for the Government of Canada to deal directly with the oil producing countries, and particularly with those that have state-owned trading companies.

We must wake up to the facts of the last quarter of the twentieth century with respect to oil. The basic fact is that the great oil companies no longer own great oil fields. There was a time when these companies owned the oil of Saudi Arabia, Iraq, Iran, Nigeria, Canada and the United States. They even owned oil fields in Mexico until they were thrown out in 1936. They controlled and could move supplies of oil wherever they liked. What happened is that in almost all of these countries, except Canada and the United States, the people rebelled against them and took control of production of oil in their countries, so that today the great oil companies are little more than oil brokers and transporters, except in Canada and the United States.

Today, if you really want to negotiate about oil, you have to go to the state oil companies of the producing nations of the world. That makes sense because these oil producing countries have lost faith in the multinational oil companies. They have said repeatedly that they want to deal directly with the oil consuming countries.

The Shah of Iran, who was certainly not considered a raving radical, made a statement to the press five years ago when he was in the United States. He said in effect, "We prefer to deal on a government to government basis when selling oil because,

if we raise the price of oil by a dollar per barrel, the oil companies increase the price by \$2 per barrel. They put one dollar in their pocket, and that creates a lot of bad feeling." The Shah of Iran himself offered to negotiate. In this House at that time I pleaded with the then minister of energy, mines and resources, Mr. Macdonald, to enter into agreements with Iran, Iraq, Nigeria, Venezuela and Mexico. We have been so timid that we have left the oil companies to run the show and now we are paying the price.

Members of the Progressive Conservative Party have spent a lot of time in this debate attacking the idea of a publicly-owned oil company for Canada, with particular emphasis on Petro-Canada. When the hon. member for Northumberland-Durham (Mr. Lawrence) spoke in the debate last night, he said, as reported at page 3386 of *Hansard*:

I do not believe that intervention of Petro-Can in the Mexican transaction, or in the Venezuelan transaction, would have been any help at all.

In the same speech he said, as reported at page 3387 of *Hansard*:

We still believe that if Exxon should not be in the middle of these deals there is no reason Petro-Canada should be in the middle of these deals either.

At that point the hon. member for Oshawa-Whitby interjected as follows:

Who should?

The hon. member replied, in part, as follows:

Certainly the companies themselves are able to contract and negotiate on their own.

● (2140)

If they are able to contract and negotiate on their own, why are we in the situation we are? Why are we importing oil? Why are we having difficulty getting oil? What members of the Progressive Conservative party need to do is to wake up to the fact that we are in a new era with respect to oil. The great power of the oil companies, their control of the production of oil is dwindling. This is happening all over the world. Today if one wants to deal in oil, one has to deal with governments and with the state-owned oil companies in the producing nations in order to get oil. That is why we think it important that Petro-Canada have a role in this matter. First, we think it ought to be a member of the allocation board which the minister proposes to set up under this legislation.

We think Petro-Canada should be the sole importer, so that we can have oil purchased on the basis of a company that will be able to act in the interests of the Canadian people and, which will see that oil which is contracted for is shipped to Canada, and not diverted to some other place, as was done in the case of Exxon, which took away some of the supplies which were contracted for by Imperial Oil.

We will support this legislation, of course. But I want to say that this is legislation that we think should have been on the statute books for some time. However, we ought not to leave this debate with the illusion that this will solve our problems. This is only giving a tool to the government which it can use to help solve a problem.