

*Energy Supplies*

interested in going into the open market to sell their oil, we must know the latest arrangements of the various companies involved in the purchase of oil.

The minister said that we are protected with FIRA. I would like him to indicate one company we have been protected against by FIRA. That has not worked very well. It is almost like giving a permit to bootleggers to bootleg on a temporary basis in every outlet in town, and refusing to give them a permanent licence.

There is no question but that we must establish Petro-Can as the sole distributor of oil in eastern Canada. As has been pointed out already, it may be necessary to integrate western oil. Money should be poured into developing alternate sources within Canada. That is where the expenditures should be made. We may have to pool our resources both offshore and domestic, and have a price for this blend that will be set in the interests of consumers.

Earlier someone talked about shirts. A good shirt today costs \$22. We still import shirts from Taiwan, Korea and Japan. These have a relatively low labour cost. Even with the increase in the value of their money against the Canadian dollar, they can still sell their shirts to Canadian distributors for \$5 or \$6. We have suggested that the tariff should be removed on shirts.

Any relationship to the price the consumer pays for a shirt and the cost of importing it is purely accidental. We have no knowledge of that as we are not able to supervise it in any way. The same is true of oil. In many cases the companies not only market the oil, but haul it in their own ships. If they increase the shipping cost, obviously that affects the end price. Any such arrangement is detrimental to Canadian consumers.

In the United States there is rationing as far as many of the industrial producers are concerned. Aeroplane gas is rationed. It is likely that on the eastern seaboard, gas for automobiles will be rationed. This does not mean there is a real scarcity, only a contrived scarcity. The free enterprise system in the United States allows the corporations to skin everyone as long as they get away with it. As Mr. McLean used to say, pay as little as possible, get as much as you can, and that is free enterprise. That is what the oil companies do. Over the years the Seven Sisters have grown fat and incompetent because of the way they skinned the public.

Our energy minister is going to expose us to these problems unless he is willing to get into the oil business, not only on an emergency basis, and do this through the aegis of Petro-Canada.

There could be a shortage. Anything is apt to happen with the major producers of oil. If it does, it will reflect on those multinational corporations in the oil business. It was pointed out earlier that, if you are incorporated in the United States, you have an obligation to that country because they might take away your incorporation or do something else that is nasty, such as increase your taxes. The same could happen to a branch plant operating in Canada.

[Mr. Peters.]

What happened with Imperial Oil was not because it did not want to import 100 per cent of its commitment from Exxon. It had a market for that oil in Canada. They could not tell Exxon, the parent corporation, to supply them with this or that amount. Originally the amount was to be reduced by 25,000 barrels a day and this has now been cut to 9,000 barrels a day. Someone will have to suffer. If Canada wishes to take on the multinational corporations, it can do it in no better way than through Petro-Can. No other agency has the same clout. They can do no better than assure eastern Canada that the shortfall can be made up by imported oil which will be equitably distributed to all outlets in Canada.

As far as refining capacity is concerned, let us look at Come-By-Chance. In that installation Canada will have a ready-made refinery with a large capacity which could be used to ensure that Canadians no longer get hosed by the multinational corporations. There would be competitive enterprise in the oil industry—

● (2040)

**The Acting Speaker (Mr. Ethier):** Order. Is the House ready for the question?

**Some hon. Members:** Question!

**The Acting Speaker (Mr. Ethier):** The hon. member for Algoma (Mr. Foster).

**Some hon. Members:** Filibuster!

**Mr. Maurice Foster (Algoma):** Mr. Speaker, there are a couple of points I should like to make. The amendment before us is designed so that when there is an emergency oil allocation situation, Petro-Canada could move in and become the sole purchaser of oil.

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

**Mr. Foster:** It seems to me the value of Petro-Canada lies, really, in doing exactly what it is presently doing in the case of Mexico and what is proposed in the case of Venezuela. This was one of the purposes of the corporation when the bill was put through the House some years ago, that is, to allow Petro-Canada to deal state by state with oil supplies. At the time we did not know these provisions would be needed so soon but at present they are greatly to our advantage. Oil requirements from abroad have been drawn down from about 800,000 barrels a day to about 500,000. During the Christmas recess the minister negotiated with Mexico for the purchase of 100,000 barrels a day to come on stream, and recently the decision was taken to instruct the corporation to go ahead and negotiate with Venezuela for a direct contract to provide 100,000 barrels a day from that source. It seems to me this is the best way in which Petro-Canada could function.

The amendment proposes that the governor in council should empower Petro-Canada to become the sole purchasing agency. In my view, if we were in an emergency situation we would want all available supplies to come on stream from offshore. Further paper transactions would only complicate the