

*Energy Supplies*

defending Exxon's position against Imperial Oil. To defend Exxon against the Canadian company which is diverting some of the oil to the United States which was allocated to Canada, and for Canadians to support that position is simply beyond me. I am sure all of us can see the difficulties ahead. We can all see that it will be absolutely necessary for the government to have the power to designate Petro-Canada as its sole importer.

In Canada we have been fairly well treated with regard to prices in recent years. In many ways Canadians have been treated more fairly than citizens south of the border.

A week or so ago I was in Georgia, and I learned that 23 flights were cancelled. It was not because companies wanted to drop flights, as has been suggested, it was because there was a shortage of gasoline. Eastern Airlines, American Airlines and National Airlines cancelled numerous flights, and Delta followed suit shortly after. That situation has not happened in Canada.

In 1973 when there was a shortage of gasoline in the United States, cars were lined up everywhere. That problem did not exist in Canada. We did not have that situation because we have a number of shyster companies, independent companies, and companies not directly connected to the big seven. In looking at world prices we see that we have enjoyed some reasonable prices in this part of the country because of that fact. Independent companies, such as the Golden Eagle company, were buying on the spot market when there was a surplus. They had obtained sizeable amounts of gasoline which they made available to the public in competition with the major oil companies.

During a taxi ride which I took in Georgia the taxi driver informed me that the price of gasoline had gone up 17 cents that day. Even if one looks at the price of a U.S. gallon in comparison to the price of a Canadian gallon, we are not that badly off. I suggest we are not that badly off because of competition from some independent operators. There are cut rate gas stations which have only a pump and a little shack, and there are the Seven Sisters service stations where there are more extensive facilities. There is no competition in effect among the major oil companies in this country.

As I drive to work there are self service stations on one side of the street selling gasoline one cent less than the station on the other side of the street where you can get your windshield cleaned, tires pumped up, and other services such as checking the oil, battery, and other things. There is no competition, but the minister will find one of these days that those small service stations will not be serviced because there will not be any gasoline available to them. This will result in an immediate increase in price. These oil companies are very close to a cartel operation.

If Petro-Canada were in a position of being declared the sole importer of crude oil to Canada, the argument which the Conservatives have made in this debate that there may be an undercapacity of refineries, obviously will be a factor. It will not be too difficult for Shell to say that their refineries are working to capacity, that they cannot take in any more crude

oil than they are using for their own operations, and every company will be able to say the same thing. It is not hard to imagine if Petro-Canada wished it could take over Come-By-Chance, that white elephant on the east coast, and put it into operation so that gas would be distributed uniformly to customers, on the basis of the sunset arrangements. These things will happen.

Undoubtedly there will be difficulties in other oil producing countries. There may be trouble in Venezuela. There may be trouble in the Persian Gulf. In fact there may be trouble in any country supplying oil to the major countries of the world. This government has not thought the problem through. It has only reached the stage of protecting the oil company, the customer has been forgotten. The government is more interested in getting the 9,000 barrels of crude oil for Imperial Oil. Some customers will be left out. It is my guess that it will not be the regular Esso pumps on the street that will be left out. It will be some of the cut-rate gas stations that have kept my price and your price down and have protected the price to customers in eastern Canada. If it had not been for the cut-rate service stations, prices would have risen a long time ago.

The people at the Shell stations, Texaco stations or Imperial Oil stations have always been offended when their company sells to other operators who are buying in bulk on a first come first serve basis on surplus stocks. They have objected to not being given an opportunity to integrate prices so that the advantage will flow not only to the cut-rate operators but to themselves. The government will have to ensure that gas will be made available to those companies if they are to operate on behalf of the Canadian public, and maintain some competition in the industry.

I am not sure how the minister thinks he can go to Venezuela and compete on the market via Petro-Canada or through any agency we may send there. It is true that if the government wishes to make deals directly with those countries, it may be able to do so. However, I am surprised at what I hear from the minister concerning his arrangements with Mexico. A week or so ago I talked with some of the top officials in Mexico. My impression was that Mexico did not want to sell oil to us or to the United States. In fact it just did not want to sell oil. What they were interested in doing was making deals with other countries, Canada in particular, for services rather than cash.

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In talking with some of their officials, my impression was that they were interested in an exchange program with Canada whereby we would provide them with agricultural know-how, implements and equipment. In return, they would give us oil on a barter basis. If that is to be the case, it is necessary that we look at oil arrangements with other oil companies.

It would be far better if Petro-Canada were the sole importer of oil into Canada rather than taking the word of the international corporations as to what they are paying in Iran, Saudi Arabia, Kuwait, or wherever they may do their buying. If we are going to work on a trade arrangement with countries