

Supplementary Estimates

There is one final point I would like to make. When we get into committee of the whole I would like the minister to give some assurance that we will receive reports on a monthly basis regarding this expenditure which we are now being asked to approve. We should know each month the amounts that are paid out by the energy supplies allocation board. We should know the names of the companies and the amounts paid to them. The amounts should be broken down into how much is paid for crude oil compensation, transportation costs, host government participation, and petroleum products compensation.

I want to say something about petroleum products compensation. There have been reports in recent months, and I do not know whether they have been verified, that many companies which formerly brought crude oil into eastern Canada for the purpose of refining it and selling it to Canadian consumers have been bringing in petroleum products. They refine the products in the Caribbean, bring them into Canada and collect the compensation payment. This has resulted in refineries in eastern Canada not working at capacity.

I do not know whether this has been verified, but it was reported in a Montreal paper, I think it was the *Montreal Gazette*, that one refinery had closed. Therefore the government should give some thought to saying that compensation payments will be on crude oil, and compensation payments on petroleum products will only be made if the refineries are operating at capacity. There is no reason why we should be importing petroleum products and depriving Canadians of jobs if we can import crude oil and refine it ourselves.

I recognize that there are no regulations in effect which require the government to table these reports regarding payments, the companies to which payments are made, and a breakdown of the payments. I hope that when Bill C-32 finally passes, that will be provided for in that legislation. It does not now, but that is something we will try to get amended when the bill is before committee of the whole in the new year. However, before turning over to the minister and the energy supplies allocation board \$365 million to be spent in a three-month period, I think we are entitled to ask for assurance that regular reports will be sent to members of the House of Commons so we can know how this money is being spent, to whom it is being given, and the basis upon which the payments are being made. Surely that is a reasonable request. If parliament is to be the controller of the purse, and if the Canadian taxpayers are to know what is being done with their money, we are entitled to that kind of report. If we don't get it, it simply means we are handing to the government large sums of money, and abdicating our responsibility as members to see that the money voted for supply is properly spent, and that the manner in which it is spent is thoroughly scrutinized by members of this House.

● (1630)

Motion agreed to, bill read the second time and the House went into committee thereon—Mr. Penner in the chair.

On the clause 2—\$365,000,000 granted for 1974-75.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Mr. Macdonald (Rosedale): Perhaps I could explain to the committee the basis on which we calculated the amount which appears in the bill, and deal with some of the comments which have been made by hon. members. The figure of \$365 million has been calculated in relation to clause 79 of Bill C-32. Hon. members will recall that Bill C-32, under clause 79, dealt with the last quarter of the current fiscal year, that is January 1 to March 31, 1975, and provided an appropriation of \$430 million.

It has been estimated by the Energy Supplies Allocation Board, who are actually engaged in the administration of this compensation payment, that there will be about \$65 million on hand under Vote 52A as at the end of December, 1974, which will be available to be expended in the new year.

It is estimated that compensation costs about \$5 million per working day. It is calculated that there are about 13 working days on hand for the new year, hence the sum of \$365 million represents the original \$430 million minus the \$65 million for that early part of the year. One element which will perhaps disturb the symmetry of the previous calculation, is as hon. members know, the decision at the OPEC meeting of last Thursday and Friday to increase the price of oil by 38 cents a barrel, the result of which is expected to be felt in Canada about mid-February and will require a further \$35 million, a sum projected to be needed by the end of the last quarter of the fiscal year, 1974-75. It would appear, therefore, that there will be enough in the appropriation, at this point at least, to accommodate the anticipated claims for compensation plus additional anticipated claims as soon as additional overseas taxes start to take effect.

The hon. member for Nanaimo-Cowichan-The Islands raised questions about the administration of the compensation fund. I would remind him that on two different occasions in the standing committee, during the consideration of the estimates in the last parliament and during the consideration of Bill C-18, we have provided a description of the administration of this fund.

The only difference since then is that the administrative responsibilities have been transferred from my department to the Energy Supplies Allocation Board, that is to say, the Board is now responsible for the monitoring of these payments. A brief description was also given earlier in the session during consideration of the estimates in committee. So the regime described earlier by the officers administering the fund is substantially unchanged with regard to compensation. Clause 79 of Bill C-32, of course, provides rather more elaborately for the administration of petroleum compensation and certain changes are introduced, but of course it is not effective as this point. It might be useful, however, to reiterate a number of points with regard to the administration of the compensation fund so that they may be clear to the House.

Under Bill C-18, and in the payments under the various appropriation acts which have gone ahead this year, the government has been paying on three different bases by way of compensating eastern refiners, paying on the "host government take," which is a generic description of the various kinds of taxes and compensation payments which are levied by the governments of the producing countries. The increase in the take of host governments has been