

Energy Supplies

Mr. Cyril Symes (Sault Ste. Marie) moved:

Motion No. 5.

That Bill C-42, An Act to provide a means to conserve the supplies of energy within Canada during periods of national emergency caused by shortages or market disturbances affecting the national security and welfare and the economic stability of Canada, be amended in Clause 17 by

- (a) striking out line 23 at page 13 and substituting the following therefor: "market areas;"
- (b) striking out line 28 at page 13 and substituting the following therefor: "for the controlled product; and"
- (c) adding immediately after line 28 at page 13 the following new paragraph:
- (d) designating Petro Canada as the sole importer of petroleum and petroleum products into Canada."

Mr. Gillespie: On a point of order, Mr. Speaker, could you just clarify for me the procedure right now. As I understand it, we are dealing with the last amendment before the House of this bill.

The Acting Speaker (Mr. Ethier): That is the understanding of the Chair.

Mr. Symes: Mr. Speaker, motion No. 5 standing in my name seeks to amend clause 17 of Bill C-42. Perhaps for the benefit of the House I should read it to put it in context and then explain the reason behind the amendment. The relevant part of clause 17 reads as follows:

17. (1) Where the Governor in Council considers it expedient to do so, he may order the Board to regulate the importation of any controlled product into Canada indefinitely or for such period as may be specified in the order.

(2) For the purpose of carrying out an order under subsection (1), the Board may make regulations

- (a) respecting the quantities and qualities of any controlled product imported or to be imported during such periods as may be prescribed by the Board;
- (b) respecting the storage of imported supplies of any controlled product in market areas; and
- (c) respecting such other matters or things in relation to the importation of the controlled product as may be necessary to support a mandatory allocation program for the controlled product.

My amendment would add paragraph (d) as follows:

- (d) designating Petro-Canada as the sole importer of petroleum and petroleum products into Canada.

You will notice, Mr. Speaker, that my amendment still allows discretion to the board to designate Petro-Canada as the sole importer of offshore oil. It is a discretionary provision in clause 17. The reasoning behind it is quite clear.

● (1510)

We could conceivably be faced with another interruption in supply of offshore oil to eastern Canada. The situation in Iran could worsen and production may not reach the level it was originally. As a result, Exxon or any of the other multinationals that supply other parts of the world aside from Canada may once again divert oil contracted for and bound for Canada. We will not be out of this predicament until we move toward a concept of self-sufficiency. It seems to me, if we are to be faced with this problem of multinational companies diverting oil destined for Canada that a way around the

[The Acting Speaker (Mr. Ethier).]

situation in an emergency is to designate Petro-Canada as the sole importer.

There are a number of advantages in doing this. First, we know that governments such as the Venezuelan government which currently supply 40 per cent of our imported oil are quite anxious to deal on a government to government basis. In that context Venezuela is quite anxious to deal with our state owned petroleum company Petro-Canada. In the event of an emergency it would seem to me to be much easier to contract for new supplies from some of these OPEC countries, if we were dealing through a sole importing agency such as Petro-Canada. Such a company could state to a government; "This is the emergency situation we have; we know what the allocation plans of the government are, and here is what we would like to contract for in terms of additional supplies." The government would not need to go to an intermediary, such as a parent company of multinational subsidiaries located in Canada, to ask for more oil from the parent company, and it would not need to ask the parent company to get more oil from the host country producing it. By having one agency, rather than a multiplicity of subsidiaries of multinational companies doing the contracting and arranging, it would facilitate things in times of an emergency instead of working under the traditional patterns of subsidiaries of multinationals which, as we have seen already, do not have a commitment to Canadian needs and priorities.

The second advantage of designating Petro-Canada as the sole importer would result in Canada having an effective window on the industry. It would know what is happening in terms of price and supply. One of the reasons we in the New Democratic Party, during a minority parliament, pressed so hard for the government to set up Petro-Canada was this very fact that we must always rely on the oil industry for statistics in terms of what oil is available and at what cost.

With a Crown owned agency responsible to the Government of Canada operating as the importer, we would be able to get an accurate assessment of what oil was actually available from host countries, and we would not have to rely on the middleman which the minister said in the House the other day skims off some of the money for arranging to bring this oil to us. Our own publicly owned corporation would be able to negotiate and would be able to tell us directly the cost of oil that we would need in an emergency situation.

Obviously we will have to get some oil on the spot market, but it is very important that we get oil at the cheapest price possible. When you are out wheeling and dealing in the international market and having to buy oil on the spot market, we know that the bidding and prices go up very quickly. If we have to rely on multinational oil companies to do that kind of bidding and arranging, especially in an emergency situation, past history has indicated—and indeed the minister's own comments in the House the other day have indicated—that the likelihood is that we will be charged more for oil imported during an emergency.

The middleman, the multinational oil company, and often its paper transacting corporations, or even the shipping lines