

## EXTERNAL AFFAIRS

GARRISON WATER DIVERSION PROJECT, NORTH  
DAKOTA—TABLING OF NOTE TO UNITED STATES

**Hon. Mitchell Sharp (Secretary of State for External Affairs):** Mr. Speaker, while on motions, and inasmuch as a resolution just presented on the subject has been approved unanimously by the House, I should like to table a copy of Note No. 432 addressed to the United States State Department concerning the effect on water quality in the Souris River of the proposed Garrison Diversion Project in the State of North Dakota.

## ORAL QUESTION PERIOD

[English]

## ENERGY

RIGHT OF FOREIGN COMPANIES SUPPLYING OIL TO  
CANADA TO REDUCE DELIVERIES UNDER "FORCE  
MAJEURE" CLAUSE IN CONTRACTS—GOVERNMENT  
POSITION

**Hon. Robert L. Stanfield (Leader of the Opposition):** Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources who said last evening he had heard, for the first time about a week ago that companies supplying Canada with oil from sources other than Arab countries were invoking a *force majeure* clause which might reduce deliveries to Canada by some 125,000 barrels a day. Is the minister accepting the right of these companies to invoke this clause or is he registering any protest or disputing in any way the right of the companies concerned to invoke this clause and thus reduce contractual deliveries to Canada?

**Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources):** Mr. Speaker, perhaps the hon. gentleman did not understand me. I was referring to the decision of the supplying company, which is not a company under Canadian jurisdiction, to invoke the *force majeure* clause. In other words, the Canadian company is entitled by contract to receive the supply of these quantities of oil but subject to the condition of the contract which has been invoked by the other contracting party that there would be a pro-rationing.

**Mr. Stanfield:** I should like to ask the minister whether the government of Canada is accepting that the supplying companies are acting within the terms of their contracts in so reducing the daily deliveries of oil to Canada? When the minister was asked a few weeks ago in the House if he was making any representations with regard to the multinational corporations, he then said he preferred to deal with the Canadian companies. I still ask the minister whether he accepts the position taken by the supplying companies and whether he intends to accept without dispute their right under these contracts to cut deliveries to Canada by 125,000 barrels a day?

**Mr. Macdonald (Rosedale):** Mr. Speaker, it seems to me we do not have any choice in this regard but to accept

## Oral Questions

what is the contractual arrangement. We have a right to receive oil but this is subject to certain conditions. We find, unlike the situation several weeks ago, that the suppliers of the oil are now making reference to the *force majeure*. I am not sure whether they have done so specifically so far or merely indicated their intention to do so. In either event, this is a condition upon which we receive that oil, and I am not sure that we have any other choice but to accept it.

**Mr. Stanfield:** Is the minister or anybody else in the government of Canada making inquiries to satisfy themselves that this reduction in deliveries is valid or whether it is not? Is anybody making any examination to determine whether rights contracted to Canada are being lived up to or is the minister simply accepting somebody else's word that this is okay?

**Mr. Macdonald (Rosedale):** Mr. Speaker, I am advised by my officials that this is the contractual basis and I have taken their advice.

JUSTIFICATION FOR INCREASES IN PRICES OF GASOLINE  
AND HOME HEATING OIL

**Mr. David Lewis (York South):** Mr. Speaker, I want to ask the Minister of Energy, Mines and Resources a question based on his statement last night in which he announced he had agreed to increases of four cents to five cents a gallon for motor gasoline in the eastern market as of December 1. Would the minister inform the House whether he was requested to agree to an increase in the price of home heating fuel as well and what the price situation in respect of home heating oil will be as of December 1?

● (1420)

**Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources):** My understanding is that because both products are manufactured from the same imported crude it would apply to both products and it would apply equally in terms of cost, that is to say, about the same increase.

**Mr. Lewis:** Will the minister explain to the House, if the price increase was to apply to home fuel oil as well as to motor gasoline, what caused him to refer only to motor gasoline in his statement last night?

**Mr. Macdonald (Rosedale):** I gave that as an example of the increase.

**Mr. Lewis:** Can the minister also inform the House as to what the price increase in crude oil has been since mid-October on which this increase in motor gasoline and home fuel oil prices is justified since, as he announced on November 1, there has already been a two cents a gallon increase based on the increase on crude up to mid-October?

**Mr. Macdonald (Rosedale):** The hon. member will recall that not only was there an increase in the early fall but there was an increase in the Arab tax reference price of about 70 per cent and an increase in the Venezuelan price of about 56 per cent after the two cents increase to which he referred had taken place. The figures for each individu-