

by multinationals to force the government into handing out more compensation for such costly purchases.

The report continues:

The extra crude would have to be purchased on the "spot market," where a barrel of oil costs about \$50, compared to the \$23 paid when deals are negotiated in advance.

Today, companies such as Gulf receive \$3 in compensation from the government for every barrel bought on the spot market. The federal official said the multinationals have joined together and started lobbying for an \$11 subsidy for every barrel purchased.

While Gulf spokesman . . . would not say Gulf was demanding \$11 a barrel in compensation, he did admit his company "is asking the government to look at the compensation program to ensure that we can get through the difficult periods."

"But they (the government) are crazy to think that we'd even consider buying on the spot market today"—

The federal official is quoted in the article as saying, "the fact that Gulf, for one, is going to double its profits at the expense of the Canadian public this year just doesn't seem to enter into their decisions." The article says that the spokesman "agreed his company is expecting record profits of more than \$300 million this year, up from last year's \$171 million."

My question is: Is it true that certain multinational oil companies, some of them bloated with profits, are so insulated from the needs of Canadians, especially those living on the east coast of Canada, that they would even contemplate this kind of reported blackmail?

Senator de Cotret: The answer, honourable senators, is: Certainly not to my knowledge. You have talked at great length about an unidentified spokesman and an unidentified official.

Senator Perrault: I am only quoting the report.

Senator de Cotret: That would certainly seem to indicate that they are quite a bit in the dark as to what is happening at the moment.

We have been in touch with the oil companies; we have been in touch with the provinces. The Minister of Energy, Mines and Resources has spoken about the question of energy diversion. He has talked about the question of supply. We have had, to date, very good co-operation from all those concerned.

You have also mentioned the petroleum supply position in eastern Canada. Obviously, we have been monitoring that very closely. Although there has been a significant stock buildup throughout 1979 inventories of main products in the Atlantic provinces, as of the beginning of October that still had not reached desired levels. The overall stocks of gasoline, heating oil, diesel fuel and heavy oil were about 4.5 per cent below last year's level. However, in the fourth quarter refineries in the Atlantic provinces are planning on importing and running over 330,000 barrels a day of crude oil. That is well above last year's imports for the same quarter, as well as the average

crude imports in the Atlantic provinces in 1979. According to refiners' programs, imports at this rate should bring product stocks to the desired level by year-end.

Just to complete the answer, I should like to read briefly from a statement made by the energy minister of Nova Scotia. The Honourable Ron Barkhouse said yesterday that figures compiled by his department indicate that the Atlantic provinces have enough heating oil in storage and in transit to prevent shortages this winter. He said:

There is only a very remote possibility that shortages could arise should some of the crude in transit be diverted.

We are monitoring the situation closely, and I would deny, to the extent of my knowledge, the reports that were quoted by the honourable senator.

Senator Perrault: I thank the minister for bringing this information to the notice of the Senate.

LABOUR DISPUTES AT OIL REFINERIES

Senator Perrault: Honourable senators, another report over the weekend suggested that a lockout in Montreal's Petrofina refinery could lead to a lockout of workers at other Montreal refineries and to serious oil shortages in Quebec. I take it that there is no governmental concern that this will measurably affect the oil supply situation?

Senator de Cotret: Honourable senator, there is concern; there is always concern about reported disruptions or potential disruptions either in our supply of imported crude oil or in the refinery activity in Atlantic Canada or in Quebec. That concern has given rise to a careful monitoring of the situation in Quebec.

We have been in touch with the officials of Petrofina, Texaco, and Shell in order to ascertain the exact situation as it now exists in Montreal. In the Petrofina situation where there is, to my understanding, a lockout, we are assured that managerial personnel can maintain the output of the refinery at normal levels. We are also assured that in other situations with other refineries around the city the situation is calm, and that there is no immediate threat of either a lockout or a strike.

There is also a technical problem in the Shell refinery with one of their major pieces of equipment. I can't remember the exact name of it, but it was mentioned in the press this morning. We checked on that, and we expect it to be back to full capacity by this Thursday. We are following the situation closely and, for the moment, there is no reason for alarm.

Senator Perrault: While I think many honourable senators are gratified with the view of the minister that the report that I read at the outset of the question period may not be accurate, I know that all of us would appreciate any further information the minister may be able to bring to the Senate regarding an "unidentified spokesman" described in the article. I should like to say to the minister, that there is no suggestion by the opposition that there has been wrongdoing by the government with respect to the matter. However, when unidentified spokesmen, identified only as "top federal energy advisers,"