

indicated that while the Canadian refineries could cover their requirements some of the importers would not be in a position to do so, and that action would need to be taken. It was on this basis the decision was made by my department, specifically by myself, that it was necessary to acquire the refined product to ensure the security of the Canadian market.

Mr. Stanfield: Can the minister indicate to the House what expert advice he received, if any, as to the appropriateness of exercising this option to acquire this Roumanian oil, and also what efforts, if any, the government made to determine what oil might be available from other sources and at what prices?

Mr. Macdonald (Rosedale): The decision was made on the advice of officials of my own department who have had extensive experience in the international oil trade.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): I am advised that in the case of very many of the offers which were made to the government at that time, and, indeed, in the case of these particular transactions, these officials made checks with international oil traders for the purpose of determining the available market and the various terms. In each case, I understand, they made more than one check to determine the market and scrutinize the transaction.

Mr. Stanfield: Does the minister regard it as appropriate for the government of Canada to do business on this scale with an advisor to the government? In other words, does the minister consider it as coming within the framework of conflict of interest as laid down by the Prime Minister that the government of Canada should do any business at all, let alone business on this scale, with a representative of a firm purporting to give the government disinterested advice?

● (1420)

Mr. Macdonald (Rosedale): Mr. Speaker, the Leader of the Opposition may be misunderstanding the nature of the technical advisory group. All of the eastern Canadian refiners and the major importers of oil into eastern Canada were represented on that body, for the obvious reason that the committee was an important source of information for the government in regard to supply of oil to the eastern Canadian market and the demand that could be anticipated. All of the Eastern Canadian industry was involved in the discussions in this process and, in fact, if the government had not been pursuing this particular course of action to protect Canadians, there would have been no one else to deal with under these circumstances. The decision was made by myself on the advice of my officials. At no time was there a decision of the technical advisory group to enter into any specific transaction. They provided information and informed comment on the market. The decision was ours.

Mr. Speaker: The Chair will recognize the hon. member for Calgary Centre on a supplementary and then the hon. member for Nanaimo-Cowichan-The Islands also on a supplementary.

Oral Questions

HEATING OIL PURCHASED BY GOVERNMENT FROM ROUMANIA—ALTERNATIVE BIDS—NECESSITY FOR PURCHASE—REQUEST FOR TABLING OF DOCUMENTS

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my supplementary question is addressed to the Minister of Energy, Mines and Resources. Do I understand the minister to say that no alternative bids were either solicited or received in terms of heating oil requirements? In addition, was the minister convinced that it was necessary for the Department of Supply and Services to purchase the high-priced Roumanian oil in order to obtain supplies from the Caribbean area as well?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): On the contrary, Mr. Speaker, I said there were a great many other bids scrutinized at that time and the opinion of international oil dealers was taken, with regard to the market. With regard to the Roumanian oil, we were concerned at that time about maintaining an alternative source of supply of refined oil for the eastern Canadian market, and it was deemed to be important to keep that source open by the exercise of this particular contract.

Mr. Andre: In order to clarify the matter, in view of the denial by the President of the Treasury Board yesterday of the request for an inquiry, would the minister be willing to table, either in the House or in the committee on national resources, all contracts, correspondence, examples of bids and information passed between the technical advisory committee and the Department of Supply and Services and the minister's own department during this period so this matter can be sorted out to the satisfaction of the House?

Mr. Macdonald (Rosedale): Mr. Speaker, competitive and commercial information would certainly be involved here. I would be glad to see to what extent I can meet the request without, in effect, disadvantaging those who dealt with the government and thereby making it difficult in the future to get the co-operation of the industry in the case of another emergency.

HEATING OIL PURCHASED BY GOVERNMENT—AVAILABILITY FROM OTHER SOURCES—PRICE PAID FOR ROUMANIAN OIL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Minister of Energy, Mines and Resources this question. When he made the recommendation for the purchase of this 26 million gallons of home heating oil, was he aware that the technical advisory committee which was advising him was made up in part of two firms, Canadian Fuel Marketers Limited and Shell Oil of Canada, both of which are owned by Shell International which has been the main beneficiary in this transaction? In light of those circumstances, did the minister take any action himself to make sure that no other suppliers were available?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I indicated to the Leader of the Opposition, the technical advisory committee was made up of all the major firms engaged in the oil business in eastern Canada so that we would have a full spectrum