

tween the Venezuelan producers and Exxon are fairly binding. The minister is now attempting to get people to break contracts which they have with Exxon. He is attempting to have some of that oil diverted to Petro-Canada so that Petro-Canada can supply people on the Canadian scene. That is a bit of a contradictory policy. The minister is obviously pushing Petro-Canada for all it is worth as a middleman instead of multinationals. I am not sure that this is the time for that type of intervention, but are we to believe that Petro-Canada is doing what it is doing out of charity?

The other day the minister made a dramatic scene in the House about middlemen's profits. That was nonsense. If Petro-Can is to be the middleman, it will charge fees and commissions. In some cases those fees and commissions will be greater than the present ones. There are some Canadian companies which deal directly with the producers in Venezuela. For instance, Shell buys its Venezuelan crude directly from Petro-Ven of Venezuela. As I understand the minister's policy now, he is telling Imperial Oil to deal directly, but on the other hand he is telling Petro-Canada to make sure it is the only one to buy Venezuelan crude and to sell it to Imperial Oil. I say that is contradictory. Apparently it all depends on what day of the week it is, because this minister can certainly speak out of both sides of his mouth on this matter. Such intervention might have been acceptable a year ago when there was a glut on the international market, but there should be no intervention now of Petro-Canada in the international trade picture.

This is positively the worst time to be upsetting complex negotiations. I suggest that for three reasons. First, in no way can the minister or Petro-Canada guarantee that they will get the quality of light crude which Canadian refineries need. The minister can evade all the questions in the House about this he wants, but there is no way he can guarantee that, and neither can Petro-Canada. Neither can the Venezuelans because they are not too sure yet whether they can break their contractual agreement with Exxon.

We know that there is no other light crude available. As a matter of fact Venezuela is running out of light crude. It will run out of that immensely valuable crude by 1981 or 1982. Neither the minister nor Petro-Canada can guarantee the quality of oil we will get, if we get any.

Second, the minister cannot guarantee quantity. There may not be a sufficient quantity of Venezuelan oil unless there is some reduction under the Exxon contract.

To hold Petro-Canada up as the answer to a maiden's prayer with respect to this problem we are in is ridiculous. I excuse the hon. member for Sault Ste. Marie (Mr. Symes) because he does not know any better, but the minister should know better, and it is the minister who is leading the Canadian public down the garden path by making the statements he makes.

● (1540)

The third and final point is the question of price. There is no way that Petro-Can is going to get the oil at a cheaper price or even at the same price that Exxon and Imperial are paying for it now. The reason for that is very simple. That is the reason

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why the Venezuelans themselves have been leading the minister on, and the Minister of Energy, Mines and Resources (Mr. Gillespie) has walked into their trap. Let me just tell you why.

I have talked with Venezuelans in Venezuela and with Venezuelans in Canada; I have talked with Canadians in Venezuela and with Canadians here who have had many years of experience down there. At one time, before the nationalization process down there, a huge number of Canadians technicians and officials were there, very good Canadian citizens who were of great benefit to Venezuela. We have an immense pool of knowledgeable people in this country and I can tell you exactly what the situation there is.

The Venezuelans are as fed up as many of the other producing countries are of the squeezing near-cartel of these multinationals that has existed for 50 years in the international market place. At present they feel they are squeezed by Exxon which takes at least 600,000 barrels a day from them. When you have a single large buyer like that, obviously you do not have all the levers at hand in order to up the price. What the Venezuelans would like to see—and I contradict the minister—is a number of smaller, amateurish buyers coming in to buy that 600,000 barrels a day output from Venezuela rather than just Exxon. They do not care whether they are state oil companies or private oil companies. Their only purpose is to break up that near cartel. Why? So that they can play one of these small buyers off against another.

If they can sucker Canada and Canada's Minister of Energy, Mines and Resources into putting enough pressure onto Imperial and onto Exxon to get part of that daily output from Venezuela—and it will only be a part—they will have felt they might well break the near monopoly of Exxon.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman but the time allotted to him has expired.

Mr. Lawrence: May I finish in 30 seconds, Mr. Speaker?

The Acting Speaker (Mr. Ethier): Is there unanimous consent for that?

Some hon. Members: Agreed.

Mr. Lawrence: I will merely repeat once more that by inserting Petro-Canada into this deal the minister cannot guarantee the quality of oil we need for our refineries because they need a particular type of light crude; second, he cannot guarantee the quantity of oil that we may be needing because Exxon may not have the contract broken; and finally, by inserting Petro-Canada into the Venezuelan deal, the Canadian consumer or taxpayer, one or the other, will pay a great deal more for his gasoline and fuel oil at the pumps and from the trucks than he has ever paid before, thanks to the actions of this minister and this government.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, the observations of my friend and colleague, the hon. member for Northumberland-Durham (Mr. Lawrence), in terms of the