

*Energy Supplies*

oil which was being diverted. As I say, the minister may now say that he was not informed of those representations to the government. In any event, something happened on approximately that date to wake the minister from the lethargic state in which he had been. He realizes suddenly that alternative sources of crude oil are needed in this country. Why? Because he hot-tails it down to Mexico.

● (2100)

**Some hon. Members:** Oh, oh!

**Mr. Lawrence:** He is informed by the Mexican authorities that crude oil will not be available in any appreciable quantities, enough in any event to get over the shortage which, it turns out later, he was informed we were not going to reach until at least 1981. That certainly is no help in the short term. So then what does the minister do? The minister goes to Venezuela and the Venezuelans guarantee to the minister that they will continue to ship what they have been shipping, and to the group to which they have been shipping, namely, Exxon Incorporated of New York.

In February the minister comes into the House and tells us that when the Venezuelans first told him they were shipping to Imperial Oil in Canada only through Exxon, it was the first time he realized that the Venezuelan crude supply to Imperial was being handled through a middleman. That is what he said in the House. He shakes his head now, but on page 3301 of *Hansard* of February 16, the minister said that the Venezuelans:

—pointed out to me that the contractual relationship was with Exxon International—

If they did not have to point it out to the minister, if he knew ahead of time, why did he use that type of language in the House? The assumption that we can draw very fairly from the minister's words are that that was the first time the minister knew. I agree that, to me also, it is inconceivable that that was the first time the minister knew. He should have known long before, but in any event, there we are.

I believe that on that occasion all of a sudden a light lit up in the minister's brain. Suddenly, that rang some sort of bell because, at that point, the minister had a faint memory of the notice he had already received from Imperial Oil of the cut back and the diversion in the Exxon supply. So the minister then turns to the Venezuelans, "How can Canada guarantee our Venezuelan supply when there is a middleman?" "Easy," shrug the Venezuelans, "cut out the middle man." The minister then comes back and propounds this as some modern, novel, unique policy of his for the first time.

Who has been the Minister of Energy, Mines and Resources all of this time? The minister comes back from Venezuela and, in a blinding vision, realizes that what has been going on for years is now no good for this country or for this country's oil supplies. Where has he been? Either he knew about this and did nothing, or he did not know about it, in which case he is clearly incompetent.

[Mr. Lawrence.]

If the minister wants another date indicating that there was some knowledge of this, let me point out that on January 19 the National Energy Board sent out a telex to the whole industry imploring them to get their applications in for the swap arrangements that had to be made. On January 24 Imperial Oil formally applied to the National Energy Board for a swap for the part of oil that has been diverted away from them. The application was for a cargo of crude to be sold to Imperial Oil and shipped to the Dartmouth docks from an independent company called the Clarke Refining Company of Chicago. Let me point it out to you—this did not come from an industry source, it is in the public domain since, as the minister knows, I received it from the National Energy Board after I requested it from them.

It is the actual formal application, accompanied by a sworn declaration dated January 24, 1979, addressed to the National Energy Board from Imperial Oil Limited formally requesting approval for an agreement with Clarke Oil and Refining Corporation to exchange Canadian crude for equivalent tanker borne foreign crude entering Canada via Portland, Maine, for Dartmouth, Nova Scotia. In actual fact, it was unloaded in Dartmouth, Nova Scotia, on February 8. Part of the documentation involved in the application to get the diverted crude supply was this document. It is fairly long and it goes through the complete statement of what was needed, what the price was going to be, what the arrangements for it were going to be, and why it was needed.

Paragraph 2(c) reads:

Our supplier, Exxon International Company, has advised us that the Iranian disruption and resulting crude shortages have caused them to establish an IEA type shortage sharing system among other affiliates.

The minister knew they were an affiliate by this application.

It goes on to read:

We—

That is Imperial Oil.

—are responding to this system.

I do not know how much clearer it can be for the minister, for his department, or for his regulatory body, that diversions have taken place and that the whole diversion allotting program was based on the International Energy Agency's program, which obviously meant the situation was serious. But again the minister comes to this House at a later date and tells us he did not know about it. That was on January 24.

On February 1, in answer to a question directed to the Secretary of State for External Affairs (Mr. Jamieson) in the House, the latter, obviously totally ignorant of the 1974 treaty to which Canada was a signatory, in grand, stentorian tones says that Canada, out of the goodness of her heart, will not allow the Americans to freeze in the dark. That received a lot of ink and a lot of play in the media across the country as an indication of the voluntary good wishes of the people and the government of this country toward our American cousins. Come hell or high water we were not going to allow the Americans to suffer one bit. Are we not grand fellows, because the minister obviously did not even know we were committed