

Energy Supplies

trading company, that might be possible. Of course it is far more than that. It is in the distribution business, the refining business, and the retail business as well. There would be immense conflict of interest in attempting to have a state trading concern import and allocate oil to the industry, including itself. We would have to look upon that with some suspicion.

Getting back to the emergency situation, there is no need for Petro-Can or any other single state agency to be inserted into the offshore situation in times of an international emergency. There is already an international agency which does that, the International Energy Agency. It was set up by treaty with 19 signatories, including this country, which will operate and run it.

Under the international treaty that Canada belongs to, the IEA has set down an allocation formula. It will oversee, supervise, and correct any inequities and imbalances with regard to that type of international solution. Therefore, there is no need for Petro-Can to be inserted into the international offshore crude oil market in the event of an international emergency. The control agency is already there. It is not a Canadian one, it is international.

I have to believe that the purpose of our socialist colleagues in the House goes far beyond the international emergency situation. I feel they want Petro-Canada to be given the power, the foot in the door, so that it can gain experience in the international field, a situation in which it has little experience at the moment. It could eventually be the sole and exclusive importer of offshore oil in all circumstances, both in times of emergency and non-emergency. That would be a disaster, for many reasons.

First, in an emergency situation at the very time that experience, storage facilities and international knowledge are needed, when there is an impending shortfall of crude oil on the international scene, that is not an advisable time to insert an inexperienced management group. It would not have the international knowledge of where the crude oil may be on the spot markets. It would be the very worst time to set up Petro-Can or any inexperienced, amateurish, state run agency in the international field.

I certainly do not want to defend in any manner, shape or form the present or past history of the multinational oil companies of the world in the world market. On many occasions they certainly have not acted in Canada's best interest. They may not even be acting in Canada's best interest right now. They are obviously acting in their own best interests. That is what they are there for. There is no question about that, but I suggest that at times of shortage or impending shortage the one and only asset we can use in the national interest as far as multinationals are concerned is their knowledge and experience and their access to these international pools, especially if they have binding contractual agreements with Canadian companies. The very time when there is an impending shortage in the international field is certainly not the best time to change horses.

[Mr. Lawrence.]

● (1530)

It is a shame, and one of the tragedies of this government and this country that we have to rely on multinationals at any time for any amount of crude oil. However, that is another story for perhaps another debate on another series of amendments. Perhaps that could be debated at third reading, but this is certainly not the time for that. I think this is not the moment to allow Petro-Canada a foot in the door. A time of emergency is not a good time for Petro-Canada to be leading up to being the sole and exclusive importer of all offshore oil for all time. I would be interested in hearing the minister's views on whether that is the way we should be proceeding with Petro Canada. I do not believe we should.

Let us consider what would have happened, for instance, if Petro-Canada had been the sole importer of Iranian oil at the time of the Iranian revolution or, to coin an Irish phrase, the "troubles" in Iran of last December and January. Canada receives supplies, as I understand it, from Iran through a number of companies, BP, Petrofina and Gulf. In addition, my understanding is that other multinationals such as Mobil, Exxon, Shell, and perhaps Texaco, also receive Iranian supplies, but those companies certainly did not ship Iranian oil to this country. It was shipped mainly through BP, Petrofina, and Gulf. There may have been a few small independents as well, but if instead of all those multinationals we had had only Petro-Canada, I wonder what different sources Petro-Canada would have had to make up for any deficiencies which would have hit us. They would have hit us very hard if we had been solely dependent on Petro-Canada at that time.

Petro-Canada is to be the only wholesaler or buyer of Mexican crude oil, which we all hope some day will come on stream so that we can utilize it here in Canada, at least in the short interval before we are solely dependent on our own.

Mr. Paproski: We are not sure about that either.

Mr. Lawrence: It has been suggested to me by people in the industry that having Petro-Can officials inserting themselves into the Mexican situation at the request of the minister set back some very serious negotiations which were already under way between such Canadian companies as Gulf Canada and Mexico. For years Exxon bought Mexican crude. Gulf Canada, for instance—and there are other examples as well—was at the point of finalizing very serious negotiations with Mexico. Access by this country to Mexican crude has been delayed by a number of months—

Mr. Gillespie: Nonsense.

Mr. Lawrence:—solely and simply because Petro-Canada people have no experience and no negotiating expertise in this field whatsoever. Again it is an example of the heavy hand of government. People in the industry and even some in the minister's department were not consulted. They did not have advance knowledge of what the minister was going to do.

At the moment Exxon receives 600,000 barrels per day of Venezuelan light crude. I understand that the contracts be-