

The Canadian people and the Canadian economy will need secure oil supplies at the best possible price for many years to come. In my view, only a publicly-owned company like Petro-Canada can deliver this. That is why this Liberal opposition party actively opposes a move by the Conservatives to jeopardize energy security for Canadians, and we intend to speak out very vigorously on this matter in the months to come.

I would like to turn to another area where one of the few promises the Tories are keeping will cause major problems for Canada. Going back to Mr. Clark's very first hours in office, the issue of relocating Canada's embassy in Israel from Tel Aviv to Jerusalem gave us our first clue about how foolish and accident-prone the new government was likely to be. The promise to move the embassy was originally made to win votes for the Conservatives in certain areas of the country where they thought such a move might be popular. The fact is that the Prime Minister blundered with that idea, disregarding the best professional advice, disregarding the continuing state of conflict in the Middle East, and also the delicate state of peace negotiations in that area.

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In one fell swoop—perhaps it has never happened before in the history of Canadian government and politics—the Tories managed to anger both the Arabs and the Jews simultaneously. They have damaged Canada's long-standing reputation as an honest and fair broker in Middle East affairs, especially peacekeeping; they have made Canadian officials in diplomatic offices abroad the potential targets of possible terrorist attacks; and they have also put millions of dollars of existing and potential business for Canadians in serious jeopardy.

As a last ditch effort to save face, Mr. Clark asked Robert Stanfield, a highly respected Canadian—now known as “Stanfield of Arabia,” I suppose—to intervene on a mission to bail out the government. Mr. Stanfield is finding it to be an impossible task, and he is a reasonable, able gentleman.

Let us take a look at the overwhelming public reaction to the Conservative policy on our Israeli embassy. First may I quote from a letter sent to my former office, the old office occupied by the then Leader of the Government. It was received by my office this week from a spokesman for a major international company based in Canada—and I refer to Northern Telecom.

The letter is not marked “Personal and Confidential,” and I shall therefore quote from it as follows:

October 5, 1979

Northern Telecom Limited
255 Albert Street
Ottawa, Ontario

... For our part, Northern Telecom's representatives in the Middle East inform us that Canada has been under almost daily attack in Arab newspapers during the past recent months. They have noted a distinct change in attitude and action of the representatives of our customers. I am advised that there has been a slowdown in contract negotiations in the past several months. In the

event that there was a complete cutoff of negotiation the effect would be measured in many millions of dollars and several hundred jobs.

That is a letter from one company alone. Despite this blundering policy, losing reactor contracts in Argentina and valuable contracts in the Middle East when it is not necessary to do so, this nation, at the same time, can retain its moral force in the world without compromising any of its principles.

What is the reason for this insanity? Why do we embark on policies so badly thought out that we are endangering the ability of thousands of Canadians to earn a living, and lengthening the unemployment lines? I would ask honourable senators to listen to the following quotations about bumbling government policy in the Middle East.

A spokesman for the Department of Industry, Trade and Commerce—the minister's own department—says:

Canada stands to lose at least 55,000 jobs and \$1.6 billion worth of imported petroleum if the Arabs retaliate against an embassy move by cutting off all trade.

The Minister of National Defence, the Honourable Allan McKinnon—the government leader's distinguished cabinet colleague—made the following statement on June 13:

With our present difficulties with the Arab world, I don't think that Iran would sell us a bucketful of sand let alone a special price on F-14s.

Roger Banister, President of Banister Continental, on the fourteenth of that month, said:

The embassy move is like taking a bet when you have everything to lose and nothing to gain.

There have been comments from Ronald Keating of Litton Industries, and also from J.C. Thackery of Bell. The latter said:

Bell is completing the second year of a 5-year (\$1.5 billion) contract but it is renegotiating with a view to doubling its business in the country.

Such action on the part of the government is placing contracts of that kind in jeopardy.

Quite apart from the effect on employment in this country is the effect on the exchange rate of our dollar. There is now a vital need to export and sell more abroad. This is precisely the wrong time for governments to blunder into a delicate international situation, and affect thereby not only the economic prospect of Canadian manufacturers and companies, not only endanger Canadian jobs, but also adversely affect our ability to be an honest broker in the Middle East. Canada traditionally has done everything it can to bring about peace in the Middle East. This country recognizes that Israel must exist behind safe and secure boundaries and, at the same time, is using its good initiatives toward solving the difficult and intransigent Palestinian refugee problem.

Rowland Frazee, of the Royal Bank of Canada, said:

A threatened financial boycott of Canada by Arab countries must not be underestimated.