

sale to a Canadian purchaser where the terms of the purchase available to him were reasonably competitive with the offer which he might receive from a foreign buyer. I can say, Mr. Speaker, that Mr. Brown has made and is continuing to make a real effort to find a Canadian buyer on such terms and that at all times he has had such co-operation as I could give him, or which my department could give him, in this pursuit.

I was advised by Mr. Brown that he had entered into a letter of understanding—which was the way it was described to me—with Ashland Oil Incorporated in mid-January which set out the general terms of an agreement which could be entered into with that company. That is the way it was put to me, and I have accepted what was told to me completely, because everything that had happened to that date had been told straight and completely to me by all parties concerned.

So this was given to me as an agreement which could be entered into with the Ashland company. The letter made it very clear that that was not an agreement. I did not see any written document until Friday of last week, when I attended at Vancouver for the purpose of trying to help ensure the continuity of this company as a Canadian company. The intention, if the agreement with Ashland was to be proceeded with, was that the parties would enter into what they called a definitive agreement some time later. While that letter has been described to me, as I say at no time had I been in possession of it or seen it. I had not seen it except that time in Vancouver, but I understand a copy of it was made available today to my deputy minister.

The hon. member for Calgary North (Mr. Woolliams) referred to a letter of intent in which my name is mentioned. Again I checked this, and I think I cleared the *Hansard* record, and I am advised upon further checking that no letter of intent entered into by Mr. Brown or no communication mentioned my name at any time. This is just one of the many misrepresentations in that unfortunate article which may have misled hon. members.

As I advised the House earlier, I was not aware of any documentation which implemented and executed a sale agreement, and to the best of my information and belief there is no such documentation, nor has Mr. Brown and RABSCO entered into a firm and binding agreement of sale at this time.

I said earlier that these negotiations were extremely sensitive, extremely confidential. They involve private rights and very large amounts of money. I have received information from various parties which has been given to me on the understanding that I would not disclose their respective positions, and I feel obliged to honour that undertaking, not only by reason of this transaction but if I am to be useful to the government and to Parliament in my future dealings, it is surely paramount that private persons who deal with me on a confidential basis know that despite the pressures put on me even by Parliament at times to disclose the information, I will maintain the undertaking until I have the authority to release the information to the House.

Possible Takeover of Home Oil Company

I can say at this time that Mr. Brown is actively dealing with more than one Canadian company to try to maintain Home Oil as a Canadian company. I advised the House earlier today, and previously, of my position that it is in the interests of Canada to maintain control and majority ownership of Home Oil. I think hon. members unanimously indicated tonight they wished that also. The measures I have taken have been to fully acquaint myself of the facts of Mr. Brown's circumstances and of the Cygnus and Home corporations, to make clear to Mr. Brown the desire of the government that a sale is made to a Canadian buyer, and to actively encourage discussions between Mr. Brown and Canadian buyers which he had indicated were acceptable to him, as well as to attempt to bring him together with such Canadian buyers, if I was able to do so by my own intervention or by the good offices of my department.

As I said, the question is a delicate one regarding the extent to which the government of Canada should interfere with the private affairs of a Canadian citizen because there is an urgent and overriding national interest. There are certainly circumstances in which this is done, such as the ones to which I referred earlier. Certainly, the rights of private property, be it corporate property or real estate or otherwise are not so absolute, as were the rights of private enterprise of yesteryears. That is as it should be in the kind of world in which we live. At the same time, it must be clear that the interests of the private subject have to be considered most carefully, and should not be interfered with lightly or unnecessarily, in justice to the individual concerned. At this point I have to state publicly—and I think I should do so in fairness to the parties with whom I have dealt—that I have received the full co-operation of the president of Ashland Oil Incorporated, Mr. Orin Atkins, with respect to this transaction. He also has kept me completely briefed, has honoured any undertaking that he has given to me, and I think I certainly do owe him the courtesy of acknowledging his candour, good will and honesty in his dealings with the Canadian government.

Incidentally, Ashland is an important refiner of Canadian oil in the United States and has an investment of over \$100 million in Canadian production. Questions have been raised in the House about a tax advantage under the present rules to a U.S. buyer in the situation of the possible change of control of Home Oil. I want to address myself to that very briefly. It is true as some hon. members, particularly in the official opposition, have alleged, that U.S. companies in certain circumstances can write off their exploration expenditures in Canada from their general income, while Canadian companies are not permitted to write off from Canadian income exploration expenses incurred outside Canada.

• (Midnight)

There is no doubt in my mind that the oil industry in Canada needs vast sums of capital for its development. Members of the House should indeed pause to consider whether our needs to develop our oil industry are the same as those of the United States and other foreign