

NDP when that government occupied the seat of power in Saskatchewan.

Some hon. Members: Louder, louder.

Mr. Perrault: Both official opposition members and members of the NDP have read to members of this House a stern lecture about the need to protect our resources.

The leader of the NDP said to the House "there can be no excuses... we want action... it's not good enough to say we haven't the power". I recall his words when he said to us in a thrilling and stirring appeal to nationalism: "our national resources are important. We can't stand by and watch foreign investors suck all of our resources from us".

● (10:50 p.m.)

An hon. Member: Amen, amen!

An hon. Member: Hallelujah!

Mr. Perrault: Some hon. members have that prairie fervor tonight, Mr. Speaker. And we on this side want to bring them up the sawdust trail of conversion to our thinking. That is all. The big tent is out. When the Socialist party came to power in Saskatchewan, two major oil companies were engaged in developing oil resources in that province. They had high hopes of spending millions of dollars in order to develop the oil resources of that province.

Mr. Alexander: We want Joe.

Mr. Perrault: The CCF proceeded to try to force upon one company—Imperial Oil—a contract to which the company would not agree. The company quit the province and went to Alberta. That was the first step in the Socialist party's oil development policy in the province of Saskatchewan. One down and one to go.

The other major oil company in that province, Bata Petroleum, was a Saskatchewan company with 24,000 Saskatchewan shareholders. The company had drilled—and this evidence is on the record—more than 30 wells and its discoveries included natural gas, potash and salt. The Saskatchewan members—they were there. The company established a gas service in the town of Unity and started a salt plant. Then the government marched in, confiscated the books, locked the company's doors, laid a charge under the Securities Act and began an investigation. And it was two oil companies up and two down. The Bata Company was exonerated of all charges but when its books were returned it found that one million acres had been confiscated by the government and that the company was relegated to a position where it could not borrow and was virtually bankrupt. This was the first oil development policy of our Socialist friends in Saskatchewan. Then, in 1948, the Socialist party in Saskatchewan decided to get busy because oil was being found in Alberta and Saskatchewan did not want to be left behind.

In 1948 the government of Saskatchewan in the third phase of its "oil policy" released 36 million acres of

Possible Takeover of Home Oil Company

Crown land for petroleum exploration. Then a great and good friend of the government appeared on the scene. I refer to a Montreal businessman named Mr. Rhubbra. He appeared with his securities company. He obtained by permit from the government 14 million acres of gas and oil reserves at a cost of one-tenth of a cent an acre. What a bonanza for the people of Saskatchewan. Then this private company demanded a 2½ per cent royalty on every dollar's worth of oil that was found anywhere on the company's 14 million acres. Some companies were forced to accept these terms. The 14 million acres controlled by this Montreal-based securities company in 1949 constituted nearly all the remaining acreage available for oil exploration in Saskatchewan. Companies genuinely interested in undertaking development work were forced to do business with this private securities company set up by the great and good friend of the CCF Socialist government of Saskatchewan.

According to information given to the Saskatchewan legislature, this private securities company paid to the provincial government a fee of only \$9,000 on nine million acres. Is this the kind of policy that we want to inaugurate in Canada? Should this be the type of beginning of the new era of oil exploration in our nation? Do we want this Socialist formula applied coast to coast in Canada? I see some opposition Saskatchewan members nodding their heads. They still have not learned their lesson. After holding these nine million acres for two days, they were—the record shows—transferred to the U.S.-controlled Tidewater Company for a cash payment of \$25,000 and an overriding royalty of 2 per cent on all gas and oil discovered in the area.

In addition, the securities company secured an overriding royalty on 1,550,000 acres held by U.S.-owned Sohio Oil Company and some other undisclosed consideration. So much for part of the record of the CCF-NDP in the matter of oil development. Yet, this is the party which has been chastising us this evening about our failure to protect the resources of the Canadian people. Yet the fact is they have a most shocking record of dereliction of duty when it comes to developing the oil lands under this control. The fact of the matter is that the oil companies in that province were stung by government bureaucracy, loaded with excessive taxation. They threw in the sponge. Until a change of government came about, exploration for gas and oil reserves in the province ground to a virtual halt. Regardless of the protestations of ardent economic nationalism we have heard from the NDP tonight, both the premier of Manitoba today and his national leader when he was premier of Saskatchewan haunt and haunted the canyons of Wall Street to borrow money for government enterprise in Manitoba and Saskatchewan. They are and were on first-name terms with all major U.S. financial corporations. Look at the record of U.S. borrowings by Manitoba since the premier was elevated to that position. The NDP-CCF record was the same in Saskatchewan. We should not be playing politics in this debate.

Some hon. Members: Hear, hear!