

*Gulf Canada*

of the former Liberal Government was 50 per cent Canadian ownership by 1990. The Minister says this transaction raises the level to 45 per cent. If that is correct, which we hope it is, it is still 5 per cent short and we have a long way to go if, as he says, it is the position of his Party to likewise try to obtain 50 per cent Canadian ownership by 1990. Certainly, it is the position of the Liberal Party to try to obtain at least 50 per cent ownership in the oil and gas industry by 1990. We would want to make sure that the Minister is going to continue on in this process of Canadianization.

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, we have replaced a Rockefeller with a Reichmann now. I am not so sure whether we in fact have succeeded in doing all that much differently.

I would like to make some comments, Mr. Speaker, with respect to some concerns I have. I am sure you know, Mr. Speaker, that in March of 1984, Chevron of San Francisco bought Gulf Corporation of Pittsburgh in a massive takeover for \$13.2 billion. Buying Gulf Corporation, of course, meant that Chevron Canada and Gulf Canada were owned by the same company and, of course, they are often in competition. In my home Province of British Columbia, for example, they have competing gas stations, and so on. There clearly was a problem as to what should be done with the two companies. For instance, should there be a merger would there be loss of jobs? In a sense, the deal would be welcomed but we will have to press the Minister on what guarantees we will have that there will be no loss of employment for some of the 13,000 employees who work for Gulf and Chevron. I will be asking the Minister some questions in that regard in a few moments.

The Minister said that this was the Mulroney Government in action, that this is the private sector in action, and this is only the beginning of what we can do. Let me put this into perspective, Mr. Speaker. What the Canadian Government did with the Western Accord was to give a lot of money to Gulf so as to inflate the price of Gulf, and to give them better tax deals. It took all the old oil the corporation owned and brought it up to the value of world prices. In other words, Gulf received a huge windfall.

James Doak, an oil company analyst with First Marathon Securities Ltd. of Toronto, said Gulf Canada will gain \$200 million a year from the energy agreement by 1989. And Denis Mote, a Toronto-based analyst for Maison Placements Canada Inc. of Montreal, said the pact adds \$1 billion to Gulf Canada's value.

● (1520)

These are not NDP MPs saying that, these are energy analysts. They are saying that Gulf was pumped up in value by about \$1 billion as a result of the Western Accord and the Mulroney Government giving that windfall to the oil industry.

What is happening now is that Canadians are paying an inflated price for Gulf. The Minister said it will cost something like \$3 billion, and that the money will go to reduce a debt which was incurred. That money, paid by Canadians, will go

back to the U.S. to reduce Chevron's debt. So before we start falling all over ourselves with praise for the Mulroney Government, as the Minister has just tried to do, we should look at how expensive and how inflated this deal is.

As far as Canadianization is concerned, I am not sure this is the largest exercise in Canadianization. I think the largest was when the Government of Canada set up Petro-Canada and that company began to expand. I call that real Canadianization, and at a cheaper price. We want to know from the Minister what is going to happen to that inflated amount of \$3 billion which was paid for this company, and it is inflated because of the Canadian Government's oil deal.

**Mr. McDermid:** You have to take a basic course in economics, E-100.

**Mr. Waddell:** I wonder if the Parliamentary Secretary would let me finish. He may not be concerned about the jobs of 13,000 employees, but I am. He may not be concerned about the \$3 billion and where it goes, but I am.

**Mr. McDermid:** Your idea of Canadianization is the Government buying a company.

**Mr. Speaker:** Order, please. Will Hon. Members please let the Hon. Member finish his statement? The Minister and the Liberal Party spokesman were both allowed to make their statements in peace.

**Mr. Waddell:** Thank you, Mr. Speaker. If the deal is so good why are Tory members so touchy?

**Mr. Thacker:** We just like the truth.

**Mr. Waddell:** Mr. Speaker, they will get their chance in the debate.

We want to look at this deal very closely. We want to know where the money is going and how it will affect the balance of payments. We want to know what \$3 billion going out of Canada will mean. We want to know whether the 13,000 employees will be protected. Finally, we want to know whether replacing the American shareholders with a Canadian family at the head of this corporation will really make a difference. I think the difference will be marginal because private Canadian companies have a better record of investing than private American companies, but I would still like the Minister to tell us that he is still prepared to have Petro-Canada as the number one Canadian company. That is our position, and it should be used by the Government to direct Canadian energy policy for the benefit of Canadians. We have a mixed system here and we are going to continue to have a mixed system. This is an interesting deal but it raises many questions. I would not go as far as the Minister has gone, and I have some questions for him.

**Mr. Speaker:** Questions?

**Mr. MacLellan:** Mr. Speaker, is the Minister aware of any other arrangements in this transaction which would have shares of what is now Gulf Canada going to Olympia & York,