

Natural Resources

Mr. Speaker, the Husky Oil affair underlines once more the need for Canadians to control their natural resources. At the federal-provincial conference of the ministers of energy last year, one of the items on the agenda was the problem of heavy oil development. The final paper stated that it would cost from \$3 to \$5 a barrel to convert this heavy oil into useful resources on a large scale. The development of heavy oil therefore requires large investments. According to the Saskatchewan premier, Husky Oil alone cannot support the cost of building a plant for this purpose. Last Wednesday, he estimated the cost of developing the Husky Oil supplies and of building a heavy oil extraction plant at about \$2 billion. Heavy oil reserves on the Saskatchewan-Alberta boundary are evaluated at five billion barrels. This may not seem a lot if we think about the estimated supplies of 900 billion barrels in the Alberta tar sands. But extracting oil from the tar sands also involves certain problems. In the case of Husky Oil, you would simply have to inject hot water, in other words use a thermal process, to help the flow of the oil which is too heavy. This development therefore involves only a technological problem since the capital is virtually assured following the offers of Petro-Canada and Occidental. Last June 15, I was listening to the Minister of Energy, Mines and Resources and to the Prime Minister (Mr. Trudeau) who replied to my colleague for Nanaimo-Cowichan-The Islands that whoever the final owner of the Husky Company may be, what counts is that these resources be developed and that they be developed in the national interest.

Mr. Speaker, I believe that when we have a Canadian company, publicly owned to boot, which wants to purchase an oil company which on its own cannot develop oil deposits for the benefit of Canadians, we cannot sit quietly by and let an American company take the development of our energy resources which are vital for the progress of our economy. National interest does not call only for the resources to be developed for Canadians, but also for these resources to be developed by Canadians. The interference of a foreign company in this shameful bargaining has inflated the market value of Husky Oil shares to such a point that Petro-Canada had to raise its offer to \$52 a share last week. Frankly I wonder if the Occidental company from California, which indulges in such a financial scheme, deserves our confidence since that increase in value of the stock will result in higher costs and eventually all Canadians will have to pay for it through government subsidies or a price increase. The rich will get even richer at the expense of others.

Mr. Speaker, let us not forget that the large majority of our resource companies are under foreign control. In certain circumstances a Canadian company can be taken over by an American company because there is no Canadian company to buy it. But in the present circumstances, a bid has been filed by a Canadian corporation—Petro-Canada which is owned by all Canadians—to purchase another Canadian corporation.

[Mr. Allard.]

Then, Mr. Speaker, in light of the financial bargaining that forced Petro-Canada to increase its initial offer of \$45 a share to \$52 to control Husky Oil, only to see Occidental offer \$55 a share, I simply believe that our interests are far from being protected. Petro-Canada will have no control over the development of those important resources. I know that Occidental propose that Petro-Canada participate in a consortium to develop heavy oils in Lloydminster and acquire a third of the shares in the development of those deposits. But who will get control over those deposits? Foreign interests.

Then, Mr. Speaker, when the Prime Minister (Mr. Trudeau) told us during the last election that all major new resource developments should be Canadian controlled, was he joking or did he only try to fool Canadians? The fact is that Petro-Canada has been had by a foreign company. The Foreign Investment Review Agency might accept the proposals of Occidental and authorize it to take over Husky Oil. Where are we going? When will Canadians have a word to say about the control and development of our resources?

Mr. Speaker, our natural resources are not the only things under foreign control, there is also our economy where at least 90 per cent of business is controlled by foreigners, who are often our nearest neighbours, our neighbours to the south. The commitments made by the Prime Minister during the 1974 election have been forgotten to the extent that the government itself is prepared to surrender our birthrights to foreigners against a mess of pottage. Mr. Speaker, this is the work of a government which has had the majority for almost four years.

● (1642)

[English]

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, as I start off in this debate I must correct the minister, who again has misinformed the House. I cannot say whether it was intentional or through ignorance, but following the earlier example of my friend and colleague, the hon. member for Peace River (Mr. Baldwin) with regard to the Prime Minister (Mr. Trudeau) I will concede that it was probably the latter.

The Minister of Energy, Mines and Resources (Mr. Gillespie) claimed that we were inaccurate in describing the mandate of Petro-Canada. I refer the minister to a document put out by his predecessor called "An Energy Policy for Canada", published in early July of 1973, in which is contained an analysis of the worth of a national oil company. The analysis contained arguments for a national oil company and arguments against. Anyone reading these arguments without any built-in bias would come to the conclusion that there was not a good argument for a national oil company. The argument against was not strongly against, but on the basis of the analysis done by the Department of Energy, Mines and Resources of the Liberal government under the hon. Donald Macdonald, who was then the minister, one would come to that conclusion.

However, in the fall of 1973 and in 1974, because of the Middle East war the OPEC nations gained strength, and there