

Oral Questions

[English]

ROYAL CANADIAN MOUNTED POLICEOCTOBER, 1970 CRISIS—INQUIRY WHETHER FILES DISCLOSE
BUNGLING

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, my question is directed to the Solicitor General. Will the minister tell the House whether he is aware of any files or, indeed, whether there is any information in his department which discloses monumental bungling by the Royal Canadian Mounted Police during the October crisis, as suggested by the hon. member for Durham-Northumberland?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, my predecessor in the Clark government knows perfectly well that I cannot ask my deputy, as such, to show me files which were shown to my predecessor without his permission or without the permission of the present Hon. Leader of the Opposition. I am not aware of any such files which show monumental bungling on the part of the Prime Minister, the government or the RCMP. But I do know, Madam Speaker, that during the administration of the Clark government documents dealing with the FLQ crisis were sent to the McDonald commission. I think we should be entitled to assume here that if members opposite found the type of document to which they have referred, then those materials should have been sent by them at that time to the McDonald commission. They are not subject to the kind of restrictions which members opposite have suggested they are subject to.

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● (1430)

HOUSE OF COMMONSPRESENCE IN GALLERY OF FORMER PRIME MINISTER OF
AUSTRALIA

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of the Right Hon. E. Gough Whitlam, the former Prime Minister of Australia.

Some hon. Members: Hear, hear!

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PETRO-CANADA

ACQUISITION OF PETROFINA—VALUE OF SHARES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In answer to a question yesterday, the Minister of Finance made it quite clear that the primary objective of the national energy policy was to increase public sector ownership of the oil and gas industry, I might say to the detriment of security of supply in this country. Since again under the National Energy Program the burden of that policy must be borne by taxpayers and consumers in this country, my question

is: what was the basis for the valuation of Petrofina in the recent take-over bid by Petro-Canada? It was a valuation which produced \$120 a share, or a 75 per cent premium over the \$70 price which the shares were trading at prior to the speculation that a bid was forthcoming. This led to a good degree of profiteering on the part of those who were in the marketplace. Was the basis for valuation on assets, cash flow, earnings, reserves, or was there some other basis?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I read *Hansard* yesterday and I failed to see the passage to which the hon. member has referred in the statement of the Minister of Finance. The position of this government is the one expressed by the Minister of Finance, that we should achieve energy security in this country during the present decade, with self-sufficiency by 1990; we should substantially increase Canadian ownership of the industry between now and 1990 and there should be a fair pricing system as far as consumers are concerned.

The purchase of Petrofina by Petro-Canada is part of the Canadianization process, which is in the same vein as the decision by Dome Petroleum last week to set up a 75 per cent Canadian-owned corporation in the private sector to expand Canadian ownership. Canadian ownership is a high priority of this government. It will be achieved overwhelmingly by the private sector, but the public sector will also be part of it.

Some hon. Members: Hear, hear!

Mr. Wilson: Madam Speaker, I fail to understand why the minister cannot direct his remarks to the question I asked. What was the basis for the valuation, the 75 per cent premium? Why should consumers and taxpayers pay a 75 per cent premium over the value at which the shares were trading before this speculation took place? The shares were trading in the low \$70 range. The market trading was stopped at \$87.50. We now have a bid at \$120 a share, which is a very large increase in the profits. These profits will be accepted by shareholders and speculators at the expense of consumers and taxpayers. What steps has the minister taken to investigate how these profits were made, who made them and what will his department and Petro-Canada do to avoid this sloppy procedure in the future, if there are to be other take-overs?

Madam Speaker: Order, please.

Mr. Lalonde: Madam Speaker, it would be much easier to answer a straight question, if it were put that way, than one with a long preamble which completely distorts the statement of the Minister of Finance.

With respect to the question raised by the hon. member, I must remind him that what he is putting forward is the same type of complaint as that put forward by the Conservatives in 1978 when Petro-Canada purchased Pacific Petroleum.

An hon. Member: Answer the question.