

*Gulf Canada*

now invested in the United States by Olympia & York, to be brought back to Canada in connection with the purchase of Gulf Canada.

To put it into perspective, Gulf Canada had assets in 1984 of \$5.6 billion, and sales of \$5.3 billion. As a company, it ranks third among petroleum companies in Canada in terms of oil production, and fourth in terms of sales. It has extensive oil and gas rights in Western Arctic and off the East Coast, in the Beaufort Sea and the Arctic islands. In 1983, it spent \$300 million on exploration and development. I have received assurances from Gulf Canada that their operation will be maintained as planned in the exploration and development fields.

**Some Hon. Members:** Hear, hear!

**Mr. Stevens:** As Members will undoubtedly know, Gulf Canada operates refineries in Montreal; Clarkson, Ontario; Edmonton; Port Moody, British Columbia, as well as an asphalt plant in Moose Jaw, Saskatchewan. Gulf Canada has some 9,000 employees across Canada. Again, I have been assured that those employees will be maintained and that possibly the total employment will be expanded.

**Some Hon. Members:** Hear, hear!

**Mr. Stevens:** I would like to sincerely congratulate Chevron and Olympia & York for arranging this significant acquisition. This is an important initiative on the part of the Canadian private sector to achieve Canadianization of the oil and gas industry.

● (1510)

I am pleased to note as well that the transaction has been structured by the parties in such a way as to minimize the impact on the Canadian dollar. It, of course, also follows the very successful Canadianization involving Texaco Canada where we had 14 million shares of that company, worth about \$485 million, sold to Canadians, which are now selling at a premium.

The net effect on Canadian upstream oil and gas assets is that where they were 40 per cent Canadian owned prior to this transaction, upon the closing of the Gulf transaction, upon Gulf coming into Canadian hands, it will mean that we are 45 per cent Canadian-owned—

**Some Hon. Members:** Hear, hear!

**Mr. Stevens:**—as far as that industry is concerned. In short, Mr. Speaker, this is the Mulroney Government in action. This is the private sector in action. If the Opposition would stop blocking the Investment Canada Bill, it would see that this is only the beginning of what we can do.

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, we are afraid that if we let the Investment Canada Bill go through this will be the end of what Government will do in Canadianization.

I would like to say to the Hon. Minister of Regional Industrial Expansion (Mr. Stevens) how pleased the Liberal

Party is that these shares in Gulf Canada have been sold to a Canadian company. And we appreciate that this has happened in keeping with the Canadianization policy of the former Liberal Government. I have quite a few of concerns, though, about this transaction. I hope that the Minister will follow through and give us the details of the bids which were made for the shares of Gulf Canada, as I asked him to do earlier, because I think it is very important that we know all of the details of all of the bids which were presented for these shares.

The Minister mentioned the repatriation of funds presently in the United States via this purchase of shares by Olympia & York. What I would like to know is, did the fact that a large portion of the moneys which were used to buy the shares was American money have a bearing on the fact that the successful bidder was Olympia & York and, perhaps, not some other Canadian company which could not put up the American money and which would have had to pay for it in Canadian funds?

I would also like to take note of something said by the Minister. He made reference to the exploration and development field, that the undertaking by Olympia & York is in the exploration and development field. There is quite a large amount of money involved when you pay \$6 a share for an option on a share. That is a sizeable amount of money and an indication that one is pretty sure of taking up that option. Is it a possibility that the downstream activities of Gulf Canada will be sold by Olympia & York to another company, possibly Petro-Canada? I would like the Minister to be frank with us today on that question because it is an important one. It is not a question which is disturbing other than that there will be a consolidation of marketing and stations in this country and some stations will close. But it will mean a further endorsement of a policy of the former Liberal Government, a policy which was criticized quite severely by the Progressive Conservative Party when it was in opposition.

I hope, Mr. Speaker, that the Minister will give us some information on this. I would like to know as well how many—

**Mr. Speaker:** Order, please. I regret to interrupt the Hon. Member but I have a question to ask him, if I may. Since he is, I think, asking questions of the Minister, I would like to be clear as to whether he wants me to take this as part of the question period or part of his speech. I am happy to take it either way.

**Mr. MacLellan:** These are concerns that I have, Mr. Speaker. We really have no objection to the actual sale itself to a Canadian company. What we want to know is what portion of this undertaking is not being disclosed by the Minister here this afternoon. This is something we would like to know. The shares which are yet to be purchased are to be purchased by the thirty-first day of December and I would like to know if the Minister is giving us an undertaking as well that these shares, if they are not picked up by Olympia & York, will in fact be picked up by a Canadian company? And will this undertaking towards increased Canadianization be ongoing in this transaction? Because we don't want to stop here. The aim