

Private Bills

Hill area. It was connected with Texaco (Canada) Limited, which probably is not Canadian-owned. It operated there in 1961 with four wells, of which three were in production. The Texcan-Mic Mac-Mayfair group at this point formed a relationship under the Mayfair holding interest.

If you go over the list you will see it refers to holdings in the Queen Charlottes, and in each case these were mixed up with other very large oil companies, including Penfield and Richfield, many of which were United States companies. What bothers me is that in looking at the financial statements of these companies I find this is not a company in the true sense of the word but is, rather, a stock promotion operation. We have the Mic Mac operation as a holding company and Mic Mac is involved with other companies. You find it is a wholly-owned subsidiary of Hudson Bay Oil and Gas. That company holds a number of other companies with which we have been concerned. It wholly-owned Mic Mac Oil in 1963 as a subsidiary which was formed by the merger of Consolidated Mic Mac, Mic Mac and Mayfair Oil and Gas.

In 1963 Mic Mac owned Blue Flame Propane Limited, Rangeland Pipe Line Company and Aurora Pipe Line Company. Aurora Pipe Line Company was a very interesting development by some of the buccaneers in the oil industry. Hon. members will remember that a few years ago representatives of Aurora Pipe Line came before Parliament and received a very rough passage over two or three years. That pipeline was only half a mile in length. It joins the Canadian pipeline systems to the U.S. pipeline systems to handle condensates. Condensates are developed industrially from the raw products of gas and oil.

• (5:40 p.m.)

Why did Aurora Pipe Line connect it? It put all the industrial-potential products of the oil industry into the Chicago market rather than leaving them in Canada where we would have developed a highly integrated petroleum derivatives industry. These derivatives were piling up as partially processed products. They have to be disposed of as soon as possible because the longer they are held, the less use can be made of them and, obviously, the lower their price. Inevitably, Canada would have developed the condensates and the wealthy end of the oil industry or the United States would have set up a company in Canada to develop the condensates. In both cases the employment would have stayed in Canada. A great deal of pressure was applied to Members of Parliament and finally the House passed the bill. As a result, Chicago now has 10,000 to 15,000 jobs which went with the condensates industry.

Hudson Bay has been a very valuable company to Canada and has helped exploit it beneficially. It has made it possible for us to ensure we sell our oil. We have a larger trade balance with the United States as a result of selling this oil to them. But we have not done much for Canadians generally, particularly in those instances where the only people who gained, other than those at the industrial and financial end of the operation, were those directly connected with the drilling operations and production of gas and oil in western Canada. The Canadian public in general has received very little gain, and very little employment is being created by an industry that

[Mr. Peters.]

probably has a greater potential for employment than any other industry or natural resource in the world.

There is a great similarity between Canada and the Arab countries. We have all seen the sheiks riding around in their air-conditioned Cadillacs, with a harem full of beauties, in the oil-rich states. Not long ago another bill was brought before this House and because of the sheik-like attitude of one of the heads of the companies concerned the government was reluctant to commit itself. The sheiks of the Near East have been copied by the sheiks of western Canada, and the peasants of both countries have not derived much benefit from the oil industry.

The oil industry produces, through its coal tar derivatives, a large number of byproducts. It produces paints, plastics, aspirins, all kinds of drugs, even soft drinks. An unlimited amount of byproducts are obtained from the petroleum industry. This company operates in every province in western Canada. In their submission to the Senate committee they bragged they had a company in each of the maritime provinces, both through Hudson Bay, their holding company, and through Mic Mac itself. But do we see aspirin factories here, paint factories there, and plastics factories somewhere else? We see very few factories in western Canada which produce these thousands and thousands of byproducts, from clothing material to dyes and all sorts of other products.

I suggest we do not owe any obligation to companies of this sort. Yet this company has come to Parliament and asked to extend its charter and become a federally chartered company. The reason for wanting this extension is so the company can merge with another. It seems to me rather like marriage between a mother and her son. Hudson Bay already owns Mic Mac, so why does it want to merge? The House sees that there is this kind of relationship.

Mr. Gilbert: An incestuous one.

Mr. Peters: Yes, and the shareholders will soon realize that. This kind of arrangement has no legitimate basis. If it had, when we passed the Canada Corporations Act we would have passed regulations to allow this kind of incestuous merger. But we did not.

Another company that came to Parliament with the same request was Central-Del Rio. In this case we are being asked to allow this company to do something which, although they do not state it, will obviously affect Canada and the government very seriously, because it will be related to Panarctic Oil and any investment it makes in that company.

There is a company in my area which has forsaken the people of the community who made it possible for them to accumulate a great deal of wealth. This company is deserting the area, as I am sure both Hudson Bay and Mic Mac will desert their communities, for the sake of expansion into new developments both through Panarctic and in the Arctic area itself.

If the purposes of this company were pure, it would have made an application under the new Companies Act, had it approved and gone about its business in the normal manner. But it has not done so, Mr. Speaker, and I think one of the reasons is this. I may not understand it, but those who are interested in this "shyster" business of