

An hon. Member: And the government of Alberta.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Now Petro-Canada has made its second move. It has managed to purchase from Pacific Petroleums in the United States 48 per cent of the shares which they hold, and it will endeavour to buy the shares which are held in Canada, but even 48 per cent will give them a controlling interest in Pacific Petroleums.

We have listened all week, in question period after question period, to all kinds of criticisms made about the impropriety and the foolishness of the government and of Petro-Canada in seeking to buy up the shares of Pacific Petroleums. Pacific Petroleums gives to the Canadian people the opportunity of having oil ten or fifteen years from now, therefore enabling us to avoid the terrible imbalance in our overseas payments if we have to import that oil from the Middle East.

Every person who has looked at the situation knows that any industry which controls the energy resources of a nation has its fingers on the windpipe of that nation's economy, and unless people in this country, through their federal and provincial governments, obtain some control of the petroleum industry, we will have to go through, in the next 25 years, what we have gone through in the last 25 years when we have watched the petroleum industry, which is foreign owned and controlled, ignoring the interests of the Canadian people and blackmailing Canadian governments.

Some hon. Members: Hear, hear!

Mr. Douglas (Nanaimo-Cowichan-The Islands): Yesterday the hon. member for York-Simcoe said that taking over Pacific Petroleums will not produce one barrel of oil or provide one job. What it will do is to enable the Canadian people to get oil when they need it, at a fair price to the Canadian consumer.

What has been our experience with the 99 per cent American controlled oil industry? Any member who was here in 1974 can give you the answer. In 1974, when the price was \$4 a barrel and the government was reluctant to raise it, the oil industry sent its drilling rigs down to the United States—it went on strike. If the oil workers had gone on strike there would have been legislation on the floor of this chamber within 48 hours. But the oil industry went on strike and said, "We are not going to drill until you raise the price." They put the gun to the government's head, and the government had little choice, so they knuckled under, and since then we have been raising the price by \$1 every six months until it reaches the world price.

Are we going to go through that again when we come to the heavy oil? At present we are already net importers of oil; we now import more oil than we export. It is going to cost us \$2 billion or \$3 billion in the next 12 months or so to pay for imported oil, even after we subtract from the cost of importing oil what we export. Will we once more, when we come to deal with the billions of barrels of heavy oil that straddle the provincial border between Saskatchewan and Alberta, allow the same companies to hold us up to ransom as they did in 1974?

Borrowing Authority Act

When the Canadian people realize where the Progressive Conservative party has been standing, or at least where the hon. member for York-Simcoe has been standing, and when they realize that the Leader of the Official Opposition (Mr. Clark) has committed his party to wiping out Petro-Canada if he takes office, then I say the Canadian people will realize that the choice in this country is whether or not we are going to develop the petroleum resources of Canada for the benefit of the Canadian people, or whether we are going to continue to be an economic colony in which our vital energy resources are owned and controlled by foreign multinational corporations.

Some hon. Members: Hear, hear!

Mr. Hal Herbert (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, first I should like to congratulate the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) for his remarks concerning the purchase of Pacific Petroleums, and particularly for his reference to the need of the people of this country to have a greater handle on the development of their natural resources. I think the effect will be considerable in the sense that presumably the realization that we can purchase and control our own resources will be forcibly brought to the attention of the Canadian people by this purchase, and also by the fashion in which it is done. I am pleased it is not done by expropriation but rather by agreement.

I find it quite interesting that there has been some discussion about the price that was paid. I would not suggest that I have any special knowledge by which I can judge whether the price was high or low, but let me say that I am under the impression that the shares of companies such as Pacific Petroleums are considerably undervalued so far as the stock market is concerned, and therefore their fair value will be substantially higher than the present market value. Therefore it is not unreasonable to pay some \$20 more than the present market price of the shares.

What I want to point out in my few remarks this afternoon is the fact that this bill is necessary essentially because we are running into a deficit, one this year and probably one next year. The fact that we have these deficits necessitates additional borrowing. When I look at the situation as it exists today, I see our national debt, the public debt, as of March 31 of this year, listed at some \$80 billion. The figure is made up of \$51 billion in unmatured debt, and another \$28 billion in other liabilities. I am not talking about net debt because that would include a deduction of the assets. I am not deducting the assets for the simple reason that the only assets listed total approximately \$40 billion. Obviously this amount does not include huge assets throughout the country which have never been recorded in the balance sheets of our nation. Most of the debt on which we are obliged to pay interest charges totals \$80 billion.

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Federal expenditures this year are expected to be somewhere between \$48 billion and \$49 billion, and our deficit will be