

why and how it was to be done. He said: "It—", that is to say Petro-Canada, "—must improve its debt position to more manageable levels and it must have the financial flexibility to compete alongside its private sector counterparts." He continued: "Petro-Canada needs equity capital and financial freedom."

As well, like Robert Frost's sledder beside the snowy woods, the government had promises to keep. The minister said: "In last April's Speech from the Throne, the government announced that it intended, and I quote, 'to further privatize those Crown corporations which no longer serve a public policy role'".

This is all highly reminiscent of the remarks delivered today in opening the debate on second reading. I have underscored some, and just going through them briefly we find the following, for example. On the second page of the minister's speech notes we find: "If they are to remain competitive, we must ensure that the company has a reliable source of new equity." Further down on the same page it states: "Getting on with this important work will be greatly assisted by the capital infusion made possible by privatization." On page 3, we find: "The bill will give Petro-Canada a way to raise equity without placing a burden on the Canadian taxpayer."

On page 4, we find: "What Petro-Canada really needs is a reliable source of new equity," and "It will give Petro-Canada access to capital that their current shareholder, the Government of Canada, cannot provide," et cetera.

It carries on in light vein through eight pages of rhetoric, the burden being at every step of the way as the minister said on February 21: "In fact, only blind devotion to state enterprise would be a reason for denying the company, and its employees, the chance it wants and has earned to be Canada's independent, world-class integrated oil corporation and a source of national pride."

This prideful striding onto the stage of world classness was to be accomplished within certain guidelines. As the minister said: "Legislation will allow for the sale of all Petro-Canada shares," but not all at once. Again, I quote the minister: "Once legislation is passed, and appropriate financial and regulatory steps are taken, and with market conditions permitting, the board of directors

of Petro-Canada will be asked initially to offer a treasury issue of about 15 per cent of the company."

I note with some interest that fairly clear statement: "The board of directors of Petro-Canada will be asked initially to offer a treasury issue of about 15 per cent of the company." This itself has faded to a rather hazy sepia to be replaced today with the note that: "The first offering will be of a size sufficient to give the company the equity required to improve its financial position." Mush, Mr. Speaker, gooey mush.

In the absence facts noting otherwise, I will stick with the February estimate of a treasury issue of about 15 per cent of the company. How things will proceed after that initial offering was then, and remains, even with the benefit of the legislation before us, still murky, every bit as murky as the murky quote just referred to in the minister's speech today.

• (1650)

Equally murky were the government's intentions for the estimated \$500 million to \$700 million expected from the sale of that 15 per cent share. However, in what some in this House apparently deem to be a brilliant marketing move and cited in *The Ottawa Citizen* on February 21, 1990, unnamed finance department denizens speculated that it would all be ploughed back into the company.

Indeed, this now seems certain to be the case, this being the background, the backdrop, the point behind the oft-repeated citations of a need for equity capital being the reason for the privatization. The argument is that privatization and the ploughing back into the company of the results of that initial 15 per cent offering is the only way the newly privatized Petro-Canada can get the capital it needs.

Imagine, Mr. Speaker. Such a deal! Mr. Capitalist could buy shares knowing that the Tories would give him back the money he paid for the shares in the form of equity in the company of which he had just become a shareholder. Equity and assets built up in a Crown corporation on behalf of all Canadians would be torn out of public hands and given away. And these are the guys known for their shrewd management of the public purse?