

*Petro-Canada*

● (2100)

I want to review some of the powers that are set forward for this Crown corporation, or agency of the Liberal government, that wants to extend its powers simply for the purpose of extending them. For one thing, clause 7 goes right through the alphabet from 7(1)(a) to (z), and it makes it absolutely clear that the powers of this corporation are not limited. It can do almost anything. Let me point out that 7(1)(a) states that the corporation can:

(a) carry on any other business that may seem to the Corporation capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Corporation;

There is no limit at all in that. This corporation could get into the building of rickshaws, or it could operate laundries or anything at all in the country, once we embark upon the ambit of that particular piece of legislation or provision. Indeed, not only could it get into anything in this country, by another provision it could get into anything in any other country, if any other country would be so foolish as to let it do so.

There is also clause 7(1)(d) which provides that the corporation can enter into partnership or into any other arrangement for the sharing of profits, etc. I think that holds out a very alarming prospect for a kind of coercion or leverage which can be brought to bear on various private sector companies already operating in the petroleum field or, indeed, in the rickshaw field, because when a Crown corporation, with the amplitude of powers this corporation has, comes up to you and suggests that you should go into partnership, and you live or die by their regulations, you are going to be inclined to go into that partnership although it may not be the thing you want to do.

This is the kind of power which, in the hands of a board of directors or of a government that was malevolent toward the private sector, or toward any individual, could be used in a very seriously harmful way.

In clause 7(1)(l) there is provision for the corporation to lend money to persons having dealings with this corporation or dealings with any other corporation. Later on in (n) there is provision for the corporation to sell anything at all, from the land to the trucks that run on it, to the plush chairs and leather couches in the executive suite. It can sell anything.

The bill goes on to say that this power does not simply rest with the directors. The power to activate this broad sphere of powers set forward here, or this capacity, can be overrun by clause 7(2) which says that the corporation shall comply, and I emphasize that word "shall", with any directions given the corporation from time to time by the Governor in Council or by the minister. So this wide range of powers is not simply to be exercised by whatever group of lucky Liberals the minister appoints to the board of directors. These powers can also be exercised by the government, or by the minister whose tact in these matters is well known. These powers can be exercised by this person unilaterally without the country knowing anything about it. This is a tremendously wide range of powers capable of the most direct political interference, and by statute.

[Mr. Clark (Rocky Mountain).]

I note that the hon. member for Nipissing (Mr. Blais) shakes his head, and well he should in view of this wide range of powers outlined in this bill. These are powers that are not simply to be used by the board of directors appointed by this Liberal government for the purpose of the Liberal party, but are powers that can be interfered with by the government directly because it has the power to order compliance on the part of the board of directors in respect of anything which the government, from time to time, chooses to have done.

As far as I can see, the budget of this Crown corporation can be approved virtually without reference to parliament. All of the directors are appointed by the cabinet and are themselves empowered to delegate certain of their wide powers to various anonymities or nephews across the country.

There is the possibility under the provisions of this bill of the government making loans on special terms to Petro-Can. I understand these specific matters are to be dealt with later, but it is important to the people of Canada and the members of this House to understand the wide range of powers we are giving this group of 15 Liberals to be appointed by the minister. These powers are also being given to the minister in view of the fact that he can move in and force the board of directors to comply with any particular whim he wants complied with at any time.

The point has been made many times, apparently without effect on the minds of members opposite, and has been made even by the minister, that it is going to take a very long time for this Crown corporation to have any appreciable impact on prices, supply, or individual concerns in Canada in relation to energy. You cannot start a major petroleum company overnight, and this one will not be started overnight. Its impact will not be felt for a long time, perhaps never, and there is the danger that, given the long start up time involved and the suddenness with which alternate energy supplies can come into being, we will be setting up a \$500 million per annum white elephant, because it may be that before this thing gets to the stage that it is useful to the Canadian people the particular function it is supposed to perform will no longer be there to be performed, or no longer be profitable to be performed, and at that time it may well have to get into the production of rickshaws.

**Mr. Knowles (Winnipeg North Centre):** Maybe it could go into dredging.

**Mr. Clark (Rocky Mountain):** As the hon. member suggests, perhaps the corporation could go into dredging. There is a very real danger here to which I should like to refer briefly, namely, that Petro-Can will become subject to special treatment by the government. The government is in the unusual situation of establishing regulations and rules by which it and other players must play, but it is the only player in the field which has that capacity. There is bound to be some suspicion that Petro-Can will enjoy an unfair access to information. There is bound to be the suspicion, or the probability in reality, as there is in respect of Panarctic, that the virtually unlimited budget of Petro-Can will allow it to interfere with the hiring practices of other companies with which it is presumably in competition.