

Co-operative Energy Act

investments are particularly risky, the proven record of the co-operative organizations will be reassuring. A second level of reassurance will be provided by the participation of the federal government.

How much money will be attracted to Co-Enerco? Some representatives of the co-ops have estimated that \$1 billion will be available in the next five years. That amount will make this joint venture a significant new player in the petroleum industry and it will provide an important increase in Canadian participation in the industry.

Mr. Speaker, the Government of Canada welcomes the interest of co-operative organizations in petroleum investment. It is pleased to join in a partnership with a national network of organizations that have a long and proud record of service to Canadians in the fields of marketing and finance. We are certain that this joint venture will provide new sources of capital for the exploration and production of oil and gas, that it will provide new and accessible opportunities for Canadians to invest in our energy future, and that it will increase the share of Canadian ownership in the petroleum industry. I am confident that all hon. members of this House will support this bill.

[Translation]

Mr. Speaker, once again, I would like to point out that Bill C-116 will establish a joint venture called the Cooperative Energy Corporation, in which an association of co-operative marketing and financial institutions will participate with the other major partner in this undertaking, the Government of Canada. In establishing this venture, the government has three basic goals in mind: to promote the Canadianization objectives of the National Energy Program, to involve the co-operative movement in oil and natural gas production and to provide a new source of funds to the petroleum and gas industry. On December 17, 1981, the Government of Canada signed an agreement in principle with representatives of seventeen co-operative organizations with a view to promoting investment in the energy sector. Bill C-116 will give this agreement force of law.

The Cooperative Energy Corporation will be a holding company whose only shareholders will be the participating co-operative organizations and the Government of Canada. The Corporation's board of directors will have nine members appointed by the participating co-operative organizations and three members appointed by the government. The Corporation will in turn act as director of two offshoot corporations. First, the Cooperative Exploration and Development Corporation which will be an operating oil and gas company with restricted partnership. It will be completely Canadian owned and controlled. Eventually, the public may own a controlling interest in the Corporation. Among the options open to the CEDC will be joint ventures with established oil companies or the purchase of an oil and gas company. As for the other corporation, the co-operative energy investment fund, it will sell units to the

public through the credit union system. It is expected that the majority of unit holders will be credit union members.

The co-operative organizations that have agreed to participate in this joint venture cover a wide range of institutions including wheat pools, retail co-ops, credit unions and caisses populaires, and co-operative insurance and trust companies. Federated Cooperatives Limited of Saskatoon played a decisive role in this project. French Canadian co-operatives include the Coopérative fédérée de Québec and La Fédération des caisses populaires acadiennes. The total assets of these co-operative organizations add up to \$45 billion. So far, the co-ops have committed over \$56 million over a period of four years. Some co-op representatives estimate they will be able to invest \$1 billion in the venture. Furthermore, the Canadian government has promised to match the contribution of its partner up to \$100 million. Obviously, the government does not intend to involve itself in the day-to-day operations of Co-Enerco. It will, however, have to approve any major transaction through its representatives on the board of directors.

In concluding, Mr. Speaker, I would like to stress the fact that the new investment opportunities created by this legislation will make it possible for many Canadians to take part, with very little risk, in the development of our energy sector. The co-operative organizations have an excellent reputation among their nine million members, and they have a solid record of sound management. These organizations have shown a lively interest in Canadian energy investments, and I am confident that all hon. members of this House will support this bill.

Mr. Deputy Speaker: Order, please! It being one o'clock, I do now leave the chair until two o'clock.

At 1.02 p.m. the House took recess.

*[English]***AFTER RECESS**

The House resumed at 2 p.m.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, our party will certainly support Bill C-116, to establish the Co-operative Energy Corporation and the Co-operative Energy Development Corporation. We always welcome a new oil company, whether it be in Alberta or elsewhere in Canada. We are certainly in favour of that.

In his opening remarks, the minister indicated that this was one more example of fulfilment of the National Energy Program. He almost lost me there. I do not know why he would stigmatize this new Co-operative Energy Corporation by any association with the National Energy Program. Much as the new company is welcome, it unfortunately will not be capable of replacing those dozens and dozens of companies that have been devastated and driven out by the National Energy Program. The National Energy Program is known to