

*Privilege—Mr. Stevens*

it latitude and flexibility with respect to some of its financial arrangements. As to the nature of the financing, I do not intend to go into the details of that; I think it would be more appropriate for that information to come from the officers of the corporation. But the transaction was financed through a subsidiary of Petro-Canada, Petro-Canada Explorations Inc., which holds all the revenue producing assets of Petro-Canada.

During the debate yesterday, in the notice with respect to the question of privilege which the hon. member for York-Simcoe gave, considerable doubt was cast on the question of government guarantees. Let me deal with that one. There is no question that Petro-Canada as an agent of Her Majesty is covered, as are other Crown corporations, by the Financial Administration Act. That is common knowledge and is not in question. But I was asked by the hon. member for Halifax (Mr. Stanfield) whether or not there were any expressed guarantees by the federal government. I would refer the House to *Hansard*, page 1050, I believe, in which yesterday's debate is reported. That is a fair question, Mr. Speaker.

I would draw to the attention of the hon. member and of the hon. member for York-Simcoe, section 21 of the Petro-Canada Act in particular, which is subtitled "Guarantees." Section 21(1) reads:

Subject to section 23, the governor in council may, on the recommendation of the minister and the Minister of Finance, authorize the Minister of Finance to guarantee on behalf of Her Majesty in right of Canada, the principal and interest of any debentures or other securities issued by the corporation for the purpose of raising capital otherwise than from Her Majesty in right of Canada.

Section 21(2) goes on to say:

The Minister of Finance may approve or decide the form, manner and conditions of guarantees under this section.

It seems quite a proper question to address. Were the guarantees which were anticipated in the legislation setting up Petro-Canada sought from the Government of Canada? I can tell the House that those guarantees were not given under this section of the act, nor were any other express guarantees with respect to this transaction given by the Government of Canada.

**Hon. Robert L. Stanfield (Halifax):** Mr. Speaker, the minister has brought me into this and I rise because I do not think in all fairness he gave a proper summary of the question I put to him and which he answered. I asked him whether he was saying in connection with this transaction that there is absolutely no financial responsibility on the part of the federal government. Is he saying not only that the federal government did not engage in any expressed guarantee but, by virtue of Petro-Canada being the agent of the government and the implications of that under the Financial Administration Act, there is no financial responsibility on the government in connection with this transaction, by way of guarantee or otherwise? I do not think that anybody could have read his answer or listened to his answer today without coming away with the impression that it was calculated to give the impression that the answer was no, that there was no financial responsibility, not only no expressed guarantee but no financial responsibility on the part of the Government of Canada.

[Mr. Gillespie.]

**An hon. Member:** Read his answer.

**Mr. Stanfield:** I have read his answer very carefully. I want to say there is only one reasonable impression one could get from reading his answer. It may be that the answer is worded in such a way that he can say he did not answer my question. But he purported to answer my question. He certainly gave the impression he was answering my question and he certainly gave the impression that the answer was in the negative, that it was a purely commercial transaction and there was no way in which the government is involved.

I got the impression today that he is not maintaining that position, that he is not maintaining the Government of Canada is not financially responsible for this, he is not denying the point made by my hon. friend from York-Simcoe.

I feel deeply aggrieved. I have always regarded the minister as being an honest man. I have not always agreed with him, but I believe I have a question of privilege. I think he tried in a smart way to mislead in this matter, and I do not think this is the sort of thing which should be allowed to pass unnoticed in this House.

**Mr. Harvie Andre (Calgary Centre):** Mr. Speaker, I will not take up too much time of the House. I rise because I gave notice last night to the Chair of my intention to raise a question of privilege. I did not give notice today because it follows the question of privilege raised by the hon. member for York-Simcoe (Mr. Stevens). It relates to an answer given to me by the Deputy Prime Minister (Mr. MacEachen) in connection with the same matter. I asked about the liability of the Crown, and the Deputy Prime Minister stated, as reported in *Hansard* at page 1042, "This does not represent in any way a demand on government resources."

My hon. friend from York-Simcoe presented detailed, accurate, and sincere arguments about the impact this has on our ability to operate; whether this is, indeed, a factual statement of the circumstances. I shall not go over that again but I want to reiterate one point.

Section 14 of the act is very clear. It states that in terms of every transaction Petro-Canada might undertake it is an agent of Her Majesty. Therefore the principal, Her Majesty, or the Government of Canada cannot avoid being responsible for the actions of the agent and therefore maintains a liability in terms of any debts which might be incurred by Petro-Canada. Section 14(3) points out that all property of Petro-Canada, owned directly or indirectly, is the property of Her Majesty. Thus, any pledge of property to support any debentures, or other documents which have been sold by Petro-Canada, are pledges of property belonging to the Government of Canada, to the people of Canada, and therefore there is a government liability; it does represent a demand on government resources, totally contrary to the statement made by the Deputy Prime Minister.

I sincerely hope the Chair will give serious consideration to accepting the motion put forward by my hon. friend from York-Simcoe so that this matter can be referred to the committee, because this whole question of Crown corporations—