

*Government Orders*

mental considerations which we consider central to Petro-Canada's future should be permitted to be in front of us for debate.

Therefore we moved to a set of proposals which aimed to do a number of things. First, this company had been paid for by the people of Canada. In fact it had been paid for in significant part through a specific tax at the pumps which people paid, the Canadianization tax expressly and explicitly designed by the government of this country to establish a more Canadianized oil industry. We had hoped that this could be incorporated in the bill more effectively than is presently the case. The particular set of amendments in front of us at this stage is the set of amendments which attempts to do that in two ways.

• (1140)

First, with Motion No. 2A, we set out that the chairperson and members of the board of directors of Petro-Canada must be Canadian residents. I note that this is a very mild provision, because it does not even suggest that they must be Canadian citizens. It suggests instead that they must be Canadian residents. From our point of view, if the minister is prepared to put into the bill a limitation with respect to foreign ownership, a limitation which we think is not tight enough but nevertheless a limitation, it follows that there should also be as a principle, as a key point, that the directors and the chairperson of this important company, which will be Canadian by the minister's edict or by the government's edict, must also be Canadian residents. That is why we have moved that particular motion.

We have also moved Motion No. 14A, which would have the effect of changing the limit with respect to foreign ownership of Petro-Canada in the future from the 25 per cent the government is prepared to accept to 1 per cent of all shares.

Frankly, our concern in this case is that as the legislation presently stands it is possible for the bill to permit foreign firms to take effective control of Petro-Canada. With three foreign companies, for instance in a widely held share basis within this company, it would be possible for one such company to have 10 per cent; another, 10 per cent; and another, 5 per cent. Foreign companies would then control 25 per cent and would have effective control of Petro-Canada in a context in which the remaining 75 per cent of shares would be held widely by Canadians, with no concentration.

**Mr. McDermid:** That's not true.

**Mr. Langdon:** The minister says that it is not true, but it is absolutely true.

Therefore we feel there must be a reduction in the 25 per cent limit. We appreciate the fact that the minister has included in the bill the 25 per cent limit, but we say, if he is serious about keeping this company Canadian-controlled, that limit has to be reduced from 25 per cent to 1 per cent.

With respect to the other motion which has been grouped for debate in this particular category, Motion No. 19, it would prohibit foreign governments or their agencies from owning Petro-Canada shares. This becomes especially significant, given the sellout permitted by the government of de Havilland to foreign government controlled companies from Italy and France. For instance, Aérospatiale of France and Alitalia of Italy will be able to control the future of an important aircraft company in this country. We do not think that makes sense. We will therefore as a party support Motion No. 19.

However, the basic point to keep in front of us on this whole set of amendments is the following, Mr. Speaker. Petro-Canada was created from the resources of the people of Canada. There is no earthly reason why we as a House of Commons should pass legislation which permits the control of this company to slip into the hands of foreign firms. For this reason we hope very much that the majority in this House will see fit to adopt the various motions that are grouped together for debate in this particular category.

**Mr. Derek Lee (Scarborough—Rouge River):** Mr. Speaker, I am pleased to rise to speak in favour of the amendment outlined by Motion No. 19.

This motion proposes that there be an explicit restriction on ownership of shares of the privatized Petro-Canada, or the semi-privatized Petro-Canada, as it goes through transition, a prohibition against ownership by a foreign government or an agency thereof.

The general purpose stated by the government in connection with this privatization is that common shares and ownership of Petro-Canada be placed in the hands of Canadians. In doing so, the government has also