

*Government Orders*

I would like to review each one of these concerns. Petro-Canada is a major player in the Canadian petroleum industry. Decisions by Petro-Canada can have an impact on the industry which extend beyond their direct effect on the company Petro-Canada. Recognizing this, the government gave Petro-Canada a commercial mandate in 1985. Acting in concert with that mandate, Petro-Canada has become a major player in several of our megaprojects. It also has the second largest proven reserves of oil and of natural gas liquids and the fourth largest natural gas reserves of any company in Canada. How it got those reserves is another story. I would like to talk about them a bit later.

The privatization of Petro-Canada will give the company the freedom that it requires to develop, sell or acquire other properties and assets, without the necessity of seeking government approvals for these transactions which really could otherwise slow down the process or truly impose some conditions which would not be attractive to potential private sector partners.

Security of energy supply has always been a key component of our energy policy. The government's policy is this: security of supply can best be achieved, first, by ensuring that Canada possesses a strong, diverse and growing energy sector; second, by developing domestic procedures to deal with the possible shortages; and, third, by taking appropriate multilateral actions in concert with its IEA partners.

We have done this. Energy procedures have been established for the domestic market. Canada has agreed to energy sharing procedures with the IEA partners in the event of any physical shortage of oil that should threaten any of the IEA countries.

By far the most important steps we have taken really and truly relate to our domestic industry. We have put in place policies to encourage the development of all economically viable forms of energy. We, this government, has encouraged the development of infrastructure which has lessened the dependence of the eastern part of our country on imported oil. Yes, the east imports all its needs.

Through regulatory reform and the removal of oppressive and discriminatory taxes like the PGRT that those people implemented we have created the conditions that are going to enable the domestic oil industry to grow, to

find and to develop new reserves of oil and gas that Canada is going to need for its future.

Privatization is going to enable Petro-Canada to play a major role in that process. Putting the company on the same footing as its private competitors will increase the range of business arrangements which it can use to develop its assets. At the same time privatization will permit the company to have access to the full range of private sector financial markets in instruments. This will help Petro-Canada to develop its many prospects in timely fashion.

Members opposite have criticized the privatization of this company on the grounds that it will amount to turning the corporation into multinational interests, as the member for Edmonton East was saying just a few moments ago. Those members could not be further from the truth. Petro-Canada will remain a Canadian owned and controlled corporation after privatization.

Total foreign investment in Petro-Canada will not be permitted to exceed 25 per cent of the non-government shares held. The maximum 25 per cent foreign ownership in Petro-Canada would reduce over-all Canadian ownership in the upstream sector by approximately 1.6 per cent, if it were not offset by new investment or growth in the Canadian owned sector industry.

Privatization, on the other hand, is going to allow the company to grow and to prosper. It is going to be interesting because by this means of privatization it really can assist this Canadian company to increase, grow and improve Canadian ownership within the industry throughout Canada.

The protection of the environment, especially in the ecological sensitive offshore and of course in our northern regions, is a central element of our government's policy. The government intends to announce a green paper plan before the end of this year which would affirm an approach to environmental protection through improved decision making.

This government is committed to establishing a decision-making process in which environmental considerations become an essential part of investment decisions made in all sectors. This has already been done by the National Energy Board. As a matter of fact, the Minister of Energy, Mines and Resources requested the chairman