

latched on to it, as it did with other ministers' requests, in order to give the impression that somehow it is cutting back.

Certain members on the government side may feel that that is a proper course and that it is not deceit, but surely there is no other word for it. It is a straight mirror game; it is a pretence. The fact is that this government has failed to control its expenditures. Expenditures in this country are out of control, and the government did not have the courage to come to the Canadian people on June 23 and make clear the full extent of its lack of control.

There is one thing we in this House can accept, and certainly if there are any betting members in the House I think they could take very low odds: the budget and the estimates as presented by the President of the Treasury Board and the Minister of Finance will be greatly exceeded when we see the true facts some time between now and the middle of 1976.

**Some hon. Members:** Hear, hear!

**Mr. Stevens:** Dealing again with Petro-Can, the free use of money and the \$1.5 billion which is being contemplated, I think it is interesting to review the fact that in an earlier committee proceeding the President of the Treasury Board gave us a list of the various Crown corporations which would receive funds either of a non-budgetary nature or in amounts to come under general loan authorizations. That list included Atomic Energy of Canada, \$200 million; CIDA, \$231 million; Transport, mainly the airports revolving fund, \$194 million; CNR, \$210 million; CMHC, \$238 million; Farm Credit Corporation, \$320 million; CMHC, \$600 million; Export Development Corporation, \$400 million. No reference is made to Petro-Can. At that stage it had not even been contemplated that Petro-Can should be capitalized in the current fiscal year. I mention this because I think it is important that ministers and members realize how little planning goes into the creation of these Crown corporations.

At committee stage, the minister was unable to give us any precise details as to when the \$1.5 billion would be put into Petro-Can. All we could get was a vague suggestion that about \$500 million would probably go in during the first five years. When asked why he wanted the \$1.5 billion at the present time, there was no satisfactory answer. I think we should review certain other Crown corporations this government has fostered and, I was going to say, allowed to fester. Hon. members will remember the Federal Mortgage Exchange Corporation which had top priority in the last parliament. We were told that the entire mortgage industry in Canada was awaiting this corporation. We did not oppose it. We felt the corporation could have some merit. When we examined the then minister of urban affairs about what he had in mind for the corporation we were dismayed at the lack of planning. They could not give us any five year plan, or even a one year plan. The fact is, the corporation was incorporated but it is sitting on the shelf and we cannot get an answer as to why the Minister of Finance will not give the green light and allow it to be activated.

### *Petro-Canada*

● (2140)

The housing industry is in a dreadful slump, and the corporation that was formed to assist it has not been activated. In spite of the fact that there has been no previous reference to any capitalization of the Federal Mortgage Exchange Corporation we find that \$75 million of the \$1 billion so called cut back happens to be in that corporation.

With that kind of background surely it is prudent that this House insert in the bill a clear, mandatory requirement that if \$1.5 billion is to go into capital from public account, it must bear a proper rate of interest back to the treasury.

**Some hon. Members:** Hear, hear!

**Mr. Stevens:** Without that we would be in the ridiculous situation I have stated where a Crown corporation may be losing money every year up to \$150 million, yet the government will be able to claim that it is breaking even. I think it is doubly important that we take exception to the minister's suggestion. If other Crown corporations catch on to this dodge they will all be asking for this kind of capitalization. Already Air Canada and CNR have talked about their debt load. We will find that they will ask to be 100 per cent capitalized free of charge by the government, and that will cause so much misspending that we will regret the precedent that is being set tonight if this amendment is not accepted.

I hope that members, and the minister in particular, will accept this amendment and, if not, will give a satisfactory explanation why Petro-Can should be allowed to use \$1.5 billion in public funds without it being mandatory that it pay a going interest rate on those funds.

**Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources):** Madam Speaker, the hon. gentleman's amendment and speech are one of the areas where the technique in committee was to raise a question which would be responded to again and again, and still at the end the hon. member would claim that I had not replied to his question.

I am happy to have an opportunity to put on record my response to the financing of Petro-Canada. The basic response is that we think that a national petroleum corporation should be financed like every other petroleum corporation with the substantial amount of funds being put forward in risk form by way of capital, that it should be put forward in equity form rather than loan form, and that the corporation should have liberty through a variety of financial instruments whether by common shares, equity in preferred shares, with limitations set forth, or various kinds of lending instruments from the governor in council. On that basis we think that Petro-Canada, like every other petroleum corporation, should have a full range of financial instruments to draw on for the various kinds of activity in which it may engage.

The hon. gentleman says that nobody could point out in the estimates where there was an appropriation for Petro-Canada. Madam Speaker, the bill is an appropriation for Petro-Canada; it does not appear in the estimates. That is the purpose of the bill.