

*Petro-Canada*

**Mr. Woolliams:** I would like the minister to answer one question. The House gave the minister unanimous consent and I wonder whether I could have unanimous consent to ask a question.

**Mr. Deputy Speaker:** Is it agreed?

**Some hon. Members:** Agreed.

**Mr. Woolliams:** As I understand the minister's statement—and I question whether he can substantiate it—the money derived from common shares, the greater percentage is to be derived in that fashion, or under that formula, rather than by debentures and other means of raising money. Does the minister know the percentage that Texaco, Imperial Oil, Gulf and other companies raise by the sale of common shares to explore and develop, in reference to the ratio of money raised by other means? I doubt whether he knows that.

**Mr. Macdonald (Rosedale):** Mr. Speaker, I agree with the hon. member that it would be difficult to break it down. Of course, they are not just engaged in exploration, if the hon. member has not noticed; they are also engaged in the business of shipping, refining and marketing petroleum products in Canada, on which basis they are not involved in risk capital.

**Mr. Woolliams:** You just exploded your argument.

**Mr. Macdonald (Rosedale):** I will say this, that part of the capital which is expended by the petroleum sector for the exploration of petroleum and natural gas is substantially in risk-capital form. I invite the hon. member to talk to petroleum men in his city, because he might learn something; he would find that each one would say he was prepared to take his chances with equity capital for the purpose of engaging in risk investment. The last thing that they want to do is to borrow with a fixed obligation to repay, without any certainty on the other side that they will be able to develop an asset that will pay off in return. So, yes, indeed that is the general practice in the petroleum sector. In the exploration sector it is based on equity capital, on retained earnings accrued on equity capital, and not on funded debt.

● (1220)

**Mr. Stevens:** On a point of order, Mr. Speaker, I wonder whether the minister would accept a further question.

**The Acting Speaker (Mr. Penner):** Is it agreed that this arrangement be allowed to continue?

**Some hon. Members:** Agreed.

**Mr. Stevens:** Mr. Speaker, yesterday evening, as reported at page 7206 of *Hansard*, the minister indicated that the government and the Minister of Finance (Mr. Turner) must provide the sum of \$15 million during the current fiscal year, which has been reduced to \$10 million as a result of the decision taken by the President of the Treasury Board (Mr. Chrétien), for the support of Petro-Can. Would the minister indicate where that provision is made, whether in the estimates or otherwise, and the \$15 million is reduced to \$10 million?

[Mr. Macdonald (Rosedale).]

**Mr. Macdonald (Rosedale):** Mr. Speaker, as I indicated to the hon. gentleman last night when speaking about the capitalization of this corporation, appropriation for this purpose is provided in the bill itself rather than in the estimates. In the non-technical sense in terms of the estimate of cash requirements that the Minister of Finance had to make, these sums were provided among the cash he will have to make available in addition to the amount required under the estimates procedure. The funds discussed and agreed to and provided for as between my department, the Minister of Finance and the President of the Treasury Board with respect to Petro-Canada for the 1975-76 fiscal year amounted to \$15 million, and that amount has now been reduced to \$10 million.

**Mr. Leonard C. Jones (Moncton):** Mr. Speaker, when this bill was originally introduced I was opposed to the principle of establishing yet another Crown corporation. This country's experience of delegating powers to Crown corporations has shown that this tends to be even more inefficient and excessively expensive than the operation of government itself—and that is terrible, a real burden on our taxpayers.

**An hon. Member:** No more DREE grants for your area.

**Mr. Jones:** Someone in the NDP says there will be no more DREE grants for my constituency. If that is the reason behind the rationale of DREE grants, I trust that the government will quit this patronage deal.

In view of the small conservative approach adopted by the Minister of Finance (Mr. Turner) on June 23, I was quite surprised that Bill C-8 was still to be proceeded with and is now before us. I would have thought that the bill would have been withdrawn by now. This nation has gone just too far along the socialistic road; our country cannot afford another Crown corporation, so-called.

Bill C-8 will go down in history as being a bill that was unique in that it just was not right from the beginning. This bill, along with other powers that parliament has already granted the government, could in the long run result in the complete nationalization of the petroleum industry. Some of my friends in this House can foresee this and are very happy and anxious that it should happen. I can foresee it, too, and I dread the terrible and horrendous results. This is another wedge, another way of hurting our economy, another example of poor leadership and foresight and lack of government restraint. Prices of gas and oil have already gone up. When this bill is enacted and this government gets full control, prices of gas and oil will really get out of control.

The amendment in question certainly brings to light a very serious matter in so far as Crown corporations are concerned. If a Crown corporation is to be treated as a business—and it should—each tub should stand on its own bottom. I doubt that this national petroleum company will have a bottom; it will be bottomless. This corporation, with all its proposed powers, should be responsible—responsible to the people and to parliament. It should be able to compete with private enterprise and with corporations that deal in the public market. In fact, it should not only be responsible for paying the interest rate suggested in the amendment but it should be responsible for paying