

deprived of the right to discuss the matter. The hon. member for York-Simcoe first raised this question. I thought he had completed his argument.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, the reason I rise once again is to speak in reference to the proposed question of privilege of my colleague, the hon. member for Halifax (Mr. Stanfield). I do so particularly in view of the fact that in responding to my hon. colleague's proposed question of privilege the minister referred to me several times.

In view of what has been said today, and in view of the fact that the minister has now indicated that there was a contingent liability, I would like, with your Honour's approval, to add at least some views with respect to why I believe the hon. member for Halifax has a valid question of privilege, which I hope Your Honour will find, as well as with respect to the question of privilege I raised yesterday. To that end I stress once again that the question which was put to the minister on Monday by the hon. member for Halifax was very clear.

In part the hon. member said:

Is he saying, not only that the federal government did not engage in any express guarantee, but that by virtue of Petro-Can being an agent of the government, and the implications of that under the Financial Administration Act, there is no financial responsibility on the Government of Canada in connection with this transaction by way of guarantee or otherwise?

I think the minister twisted that when he said that the real thrust of the question was whether there was a guarantee. Now he is saying that all he attempted to say was that there was no guarantee.

With all due respect, and in support of my argument, I draw Your Honour's attention to what the minister said earlier on Monday, as reported at page 1044 of *Hansard*, in response to a question put by my colleague, the hon. member for Calgary North (Mr. Woolliams). At that time he said:

● (1532)

This deal is a commercial transaction which has been financed without any government assistance, without any government funds and without any government guarantee.

There were interruptions, and then he said:

—and it will have the effect of reducing the demand or the requirement for government assistance in the future,

For the minister to tell us now that he has found there is a contingent liability flies right in the face of not only his response to the hon. member for Halifax but also of what he said in response to the hon. member for Calgary North. There is absolutely no doubt that he misled the House.

The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), in attempting to support the minister's position, has missed the point, I think, and the minister, when he was making comments earlier about my argument yesterday, also missed the point. I referred only to section 23 in an attempt to show that if that is the section on which they are relying to justify the statements made, not only by the minister, but by the House leader and by the Minister of Finance (Mr. Chrétien), in the opinion of counsel whom I consulted it is not adequate. Section 23 deals with an entirely different matter,

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and it is Section 14 which is the overriding section as far as Petro-Can's active incorporation is concerned. That section is very clear. It states:

The corporation is, for all purposes of this act, an agent of Her Majesty, and its powers under this act may be exercised only as an agent of Her Majesty.

It goes on to say that the property owned by this Crown corporation:

—is the property of Her Majesty and title thereto may be vested in the name of Her Majesty or in the name of the corporation.

Clearly there was always a liability on the part of the Government of Canada for the actions of Petro-Canada. The thrust of my comments today is that the responses we had on Monday, not only from the Minister of Energy, Mines and Resources (Mr. Gillespie) but also from the House leader and from the Minister of Finance, misled the House, in an attempt to create the impression that somehow this was another commercial transaction. It was as if Petro-Canada had just filled somebody's gas tank and there was no government liability involved. In truth, it has now been agreed by the minister that there was a contingent liability. In my opinion, and according to the advice of my counsel, it is, in fact, more than a contingent liability; it is the direct liability with which an agent can bind his principal, and that liability comes from section 14 of the Petro-Canada Act.

I should like to mention, in conclusion, that where I think the misrepresentation has occurred is not only in the two statements by the Minister of Energy, Mines and Resources, but also in what the House leader has stated on Monday, namely:

—this does not represent—

That is the deal involving Petro-Canada—

—in any way a demand on government resources. It is totally a commercial transaction, financed outside government expenditures—

May I ask, with all due respect, how a minister of the Crown can make such a blatant statement followed by another minister of the Crown two days later stating that there was a contingent liability?

Secondly, I should like to mention that the Minister of Finance said on Monday:

—Petro-Canada pledged the assets they have gained in making the transaction. This was analysed by those who were loaning the money. They found that the assets being given against the borrowing were very good indeed, so they went along with the transaction. I believe it is a very good transaction for Canada.

Again I suggest that this was a misleading statement on the part of the Minister of Finance, because we know now that there was a contingent liability, that those who lent the money knew that Canada was ultimately liable with respect to the debt they were extending. As I have already indicated, subsection 3 of section 14 of the Petro-Canada Act makes it very clear that the Petro-Can assets are, in fact, not their assets to pledge; they are the assets of Her Majesty in the right of Canada.

May I conclude by simply saying that I support the proposed question of privilege that might be put by my colleague, the hon. member for Halifax, and in connection with my own