

Government Orders

Petro-Canada operates in a competitive and dynamic industry. In order to remain competitive, that company must have access to a reliable source of new equity. It is no longer acceptable to expect that the equity comes from the taxpayers' pockets. The taxpayer does not want to pay any more taxes. Privatization will give Petro-Canada direct access to an alternate source.

Privatization will help strengthen the company by providing funds so that it can get on with the job. It will give Petro-Canada the financial flexibility now enjoyed by its competitors and give the company access to that new equity without hurting the taxpayer.

There is a cost to keeping Petro-Canada as a state-owned company. The first casualty of this decision would be Petro-Canada itself. But the costs would also be felt by the ordinary Canadian through higher taxes, a higher debt, and fewer possible public services. This would be wrong. It would be the wrong decision for Petro-Canada and the wrong decision for the people of Canada.

These are some of the reasons why I support this important legislation. Continued state ownership of Petro-Canada would impair this great company's ability to compete. It would impair its ability to explore, and impair its ability to bring on stream gas and oil that will be needed for our domestic use.

While Petro-Canada may have been conceived as a product of ideology, the decision to privatize it is clearly a product of common sense. It is not only common sense here, but it is common sense around the world. As *The Economist* magazine has noted, at least 35 countries in the world have moved to privatization. It is not a move of ideology; it is one of common sense.

Liberal governments, conservative governments, socialist governments throughout the world have moved in great numbers to privatization of these Crown-owned companies. It is stated in *The Economist* magazine dated December 21, 1985:

Herbert Morrison, the father of nationalization, assumed the public sector would work hard for the public good—and that competition was a waste of resources. Consumers around the world know he was wrong. When privatization fosters competition, and with it the concept of risk and reward, it appeals to the basic greed for individual betterment. As such, it has become deservedly popular—and may deservedly succeed.

I am pleased to be able to speak in support of this bill. I am pleased and proud that our government is moving this very important and great Canadian company into the hands of the Canadians who can invest in this company so that it will bring greater benefits to all Canadians in this very important sector.

• (1620)

The Acting Speaker (Mr. DeBlois): On questions and comments, the hon. member for Edmonton East.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I should like to investigate a little further the hon. member's concept of common sense, which he touted during at least the closing parts of his remarks.

I noted that the member said that Petro-Canada had to be privatized in order to enable it to—and I believe I am quoting correctly—"raise new equity, rather than relying on the taxpayer." He said, as well, and I believe I am quoting here too: "it's no longer acceptable to say new equity will come from the taxpayers' pockets".

As near as any of us are able to tell—the government has not been terribly forthcoming in this regard—in attempting to read the runes, watch the smoke signals, and check out the entrails of the owls, and all this sort of stuff, we seem to be left with the situation in which, to begin with at least, we are looking at a 15 per cent treasury issue for equity in Petro-Canada.

By the way, the proceeds from this 15 per cent will be ploughed back into the company. That is where the new equity is coming from and various estimates have placed the value of that initial 15 per cent issue at between \$500 million and \$700 million. That is money that will be taken from the sale of shares in the company, shares now owned by the taxpayers, the receipts for which—that \$500 million to \$700 million—will be ploughed back into the company.

My first question to the hon. member is this: How does that constitute not relying on the taxpayer? How does that constitute a situation in which it is no longer acceptable to say new equity will come from the taxpayers' pockets, when that is exactly where it is coming from?

Beyond that, having raided the taxpayers' pockets for that initial 15 per cent issue, I quote from the remarks of the Minister of State for Privatization and Regulatory