

ship in a report entitled: "Minding our own Business". It is a report which I recommend to all members.

This legislation will allow for the sale of all Petro-Canada shares. Petro-Canada's privatization will take place in stages, with the first offering of a size sufficient to give the company the equity required to improve its financial position.

This initial public offering will create a broad market for the company's shares, while ensuring an orderly transition from ownership by the Canadian government to ownership by the Canadian people. The net proceeds of future sales of the government shares will be paid into the Consolidated Revenue Fund.

While the government will continue to hold a majority ownership position in the company for the time being, our intention is to manage these shares as an investment and to reduce our holdings over time. The government will negotiate a shareholders' agreement with the company which will confirm our intentions concerning the management of our remaining shares.

In keeping with the successful approach to employee share ownership undertaken in a number of previous privatizations, the board of directors of Petro-Canada will develop an employee share ownership plan as part of the initial offering.

• (1550)

No individual, regardless of residence, will be allowed to own more than 10 per cent of the publicly available shares. In addition, the legislation limits total non-resident ownership to no more than 25 per cent of publicly available shares. By limiting the amount of cumulative foreign ownership, Petro-Canada can gain access to significant sources of new capital while ensuring that the company remains Canadian owned and Canadian controlled.

Through section 9 of the legislation, the articles of Petro-Canada will require that the headquarters remain in Calgary. The articles will also require that Petro-Canada continue to provide services in both official languages.

Following the successful process employed in the sale of Air Canada's shares to the public, Petro-Canada will be responsible for managing the initial public offering of shares. Only when final receipt for a prospectus is received from regulating authorities will the price of

shares be determined. At that time the price will be negotiated between the underwriters and the board of directors based on prevailing market conditions.

I might say that we have made an offer to both our opposition critics, whom I am sure we will hear from later today, for a complete briefing. Neither of them have contacted us to set up a date for that briefing, but I want to assure them that the offer is still there and we would be pleased to provide that in-depth briefing at their convenience.

[*Translation*]

Mr. Speaker, the privatization of Petro-Canada will help strengthen the corporation's financial base by providing the funds that will help it to continue to exploit our energy resources. That is the kind of common sense approach from this government that Canadians appreciate. Economically speaking, Petro-Canada will thrive as well. Thanks to this bill, Canadians will own the corporation and have a controlling interest. It will give all Canadians a chance to participate directly in this great national enterprise.

[*English*]

I think that I have made it very clear that, in order to pursue its commitment to Canadians, Petro-Canada needs to have a new source of equity. Those funds can come from individual investors through privatization, or they can come from the Canadian taxpayer. The government has chosen privatization.

While Petro-Canada may have been created as a product of ideology and political expediency, its privatization is a matter of simple common sense. I therefore commend this legislation to the House and recommend its early passage into law.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I am pleased to rise today to address the second reading of Bill C-84, an act to privatize our national petroleum corporation, Petro-Canada. Before jumping into my remarks dealing specifically with the privatization, I would like to make a couple of preliminary remarks.

The first has to do with what appears to me and several of my colleagues on this side of the House to be the unseemly haste with which the government has moved within the last several days with respect to the Petro-Canada privatization. It was introduced into the House last week and one would think there was a national