

The Address—Miss Carney

the PIP grants are made much more in terms of amortizing expensive equipment than geology.

There is a damning indictment of the Canadian ownership charge. The Auditor General states in his report that he could not find anyone in the Department of Energy, Mines and Resources who was taking responsibility for the Canadian ownership account. Yet this account attracts approximately \$1 billion in revenue every year. It was the Canadian ownership account, which is being paid by the taxpayers through the purchase of gasoline, that was used to pay for Petro-Canada's acquisition of Petrofina. The Auditor General stated, "It is unclear to us who has prime responsibility for the Canadian ownership account". In the lock-up today he told us that he could not find one civil servant who would accept responsibility for watching the money.

He also pointed out that there is a weakness in managing public funds in regard to the acquisition of Petrofina by Petro-Canada. This was a \$1.7 billion acquisition, yet the Auditor General, states that he has been unable to ascertain whether "due regard to economy has been demonstrated or achieved in respect of the \$1.7 billion acquisition of Petrofina because of the lack of evidence of a pre-acquisition evaluation." He pointed out that he had asked for this information in 1982 and during the audit of EMR in 1982-83. His department asked for this information again in the subsequent year and was repeatedly told by Petro-Canada that it is none of the Auditor General's business. Unfortunately, this kind of evaluation of assets is very important because it would tell us in fact whether there was \$1.7 billion worth of assets in Petrofina at the time it was acquired. We know from the market at the time that a great bonus was paid for the acquisition of Petrofina. I suggest that as taxpayers we are entitled to find out what was the actual value of the assets that were bought and what their value is now.

I would also point out that the Auditor General commented on a very unusual bridge financing arrangement offered to Petro-Canada. Simply stated, Petrofina was involved in a transaction which led to a gain by Petro-Canada of \$60.7 million in a tax deduction. If any other company had been involved in a transaction such as that, it would owe the Government of Canada \$60.7 million. However, Petro-Canada was exempted.

It was also pointed out by the Auditor General that the foreign shareholders of Petrofina were allowed a capital gains tax exemption which was not available to Canadians generally.

● (1700)

I could go on, but my time has run out. However, I do want to underline that the Minister failed to come to grips with some of the problems outlined by the Auditor General and he failed to discuss the necessary amendments to the National Energy Program which are required if we are to have a healthy energy industry in this country.

The Acting Speaker (Mr. Blaker): Questions, answers, comments? Debate.

Miss Aideen Nicholson (Trinity): Mr. Speaker, this most recent Speech from the Throne comes at a time when the world is emerging from a particularly difficult recession, the worst in the last 30 years, and one which has caused great pain and suffering to all the OECD countries.

On October 3, I and other Members of this House were at Strasbourg for the OECD debate and we heard the Secretary General of the OECD say that conditions for economic recovery in the OECD countries are more favourable today than they have been for several years. At the same time he warned that economic performance and outlook are not entirely reassuring, particularly because:

Our inability to provide employment opportunities for millions of people who would like to work is unacceptable on economic, political and moral grounds.

In addition, Mr. van Lennep, the Secretary General of the OECD, pointed to "unresolved questions" in the areas of finance and trade. He went on to say that converting the recovery into sustained growth required steadiness and international co-operation in the areas of monetary and fiscal policy.

In the Speech from the Throne, we have that same emphasis on steadiness. We have no dramatic changes of policy, but we do have an appeal for global partnership for peace and a national partnership for prosperity. The Speech from the Throne concentrates on the main concerns of Canadians: jobs, peace, economic growth and opportunity, personal and social security and a confident sense of Canadian identity. The speech seeks to respond to the grave economic difficulties of the past three years, but specifically by direct job creation, mortgage payment protection and regular consultative mechanisms with business, labour and the provinces.

As we are beginning a new session of Parliament we have had available to us a particularly interesting report from the Economic Council of Canada called "On the Mend", the 1983 annual review. Some of the data in that report are particularly useful as we look back over the past 20 years and as we look at the tremendous shocks our economy has suffered in the last two or three years and then try to proceed to chart a way to go on.

Looking back over the last 20 years, the Economic Council's review put a lot of stress on safety nets that Canadians have built: social assistance, unemployment insurance, health insurance and pensions. Although this last recession, from which we are now emerging, has been painful and has left many Canadians unemployed, at least there have been safety nets which Canadians have put in place over the past 20 years which have protected families from some of the worst distresses involved in being unemployed.

Over the past 20 years, too, Canadians have been spending more on secondary education and post-secondary education, whereas traditionally Canadians had on average less years of formal education than Americans. That situation has now been corrected. We now have a work force better educated, more travelled and more familiar with change. This will be a tremendous asset in the future. We are certainly in an era that