

*Government Orders*

order to insulate Canada from these uncertainties. Those who make that argument, I contend, ignore the reality that Canada's economy is part of the world market. They also ignore the fact that what Petro-Canada really needs is a reliable source of new equity.

Let me be clear on this point. Government ownership of Petro-Canada does not add one drop of oil to Canadian production.

Neither will government ownership of Petro-Canada lower the price Canadians paid at the pump.

The government has carefully considered Petro-Canada's original mandate in coming to this decision. While some members opposite may want to ignore reality and put their ideology ahead of common sense, this government has an obligation to do what is right for Petro-Canada and for the people of Canada.

It is not just the government that wants to see individual Canadians given the opportunity to participate directly in the ownership of this important national enterprise.

The company and its employees are also looking forward to the prospects of privatization, because it will give Petro-Canada access to capital that their current shareholder, the Government of Canada, cannot provide.

They recognize that direct ownership of Petro-Canada by individual Canadians will strengthen the company and improve its prospects for growth.

Let me now turn to the legislation. The essential purpose of the legislation is first, to give Petro-Canada, through direct public participation by individual Canadians, the financial flexibility it needs to continue the exploration and development of Canadian energy reserves. Second, it is to allow individual Canadians the opportunity to share directly in the future growth of this great Canadian enterprise.

Throughout Canada's history the federal and provincial governments have used various methods to meet the public policy objectives of the day. These measures have been tempered with a recognition of the prevailing economic realities facing our nation.

At times governments have created Crown corporations where state ownership was deemed the most appropriate means to achieve a public policy purpose. In

other circumstances governments have chosen not to intervene in the market through the direct ownership of capital assets, but rather by regulating the activities of the private sector. At other times, tax incentives have been used or grants provided to encourage desired behaviour on the part of the private sector. In still other circumstances, we have wisely decided to stay out of the way and relied on competitive market forces to produce the best result for producers and consumers.

In short, Canadians have been quite practical about the way in which governments influence the activities of the private sector. We have called for government intervention when necessary; but Canadians have usually focused on the ends more than the means.

In the case of Petro-Canada, the end product is a contribution to the health of Canada's energy industry. But as the chairman and chief executive officer of Petro-Canada has stated publicly, unless the company gains additional funds to reinforce its capital base, the company simply cannot get on with the job of developing Canada's energy reserves and marketing petroleum products to Canadians without raising its debt to unsustainable levels.

Without new equity, Petro-Canada will not be able to contribute fully to this important task. Our decision to privatize Petro-Canada is a pragmatic, common sense response that will benefit Petro-Canada and the Canadian taxpayer.

By offering Petro-Canada shares to the public, we are giving individual Canadians the opportunity to take a direct stake in this great Canadian oil company and to share in its future. Perhaps more importantly, we are giving Petro-Canada a source of new equity that simply cannot be obtained by a wholly-owned Crown corporation. I believe that a privatized Petro-Canada, with individual Canadians participating in its ownership, is destined to become an even greater source of national pride.

Our conclusion that state ownership of Petro-Canada is no longer necessary to achieve a public policy purpose is shared by many beyond the government. It is the view of Petro-Canada's own employees and management. And it is the view of the Economic Council of Canada—which the opposition has been prone to quote over the last few days—which studied the issue of public owner-