

*The Budget—Mr. MacEachen*

Obviously changes will take place in the Canadian economy. Some of these changes will occur regardless of the conclusion of the multilateral trade negotiations. They have taken place already, but whether changes occur for reasons apart from trade negotiations, or whether they occur because of trade negotiations, it will be necessary in consultation with industry and in collaboration with the provinces for the government to provide adjustment assistance. Already arrangements are being made to phase in tariff changes over a period of years, perhaps a fairly lengthy period of eight years. In addition to that, the Minister of Industry, Trade and Commerce (Mr. Horner) indicated that a range of measures designed to assist individual workers and firms will be put in place. It is designed to assist them in adjusting to both the opportunities and challenges which the economic environment of the 1980s will bring, including those which will flow from trade negotiations.

In conclusion, the timetable established at the Bonn Summit last summer is still in effect. Last weekend the Canadian trade negotiator, Mr. Warren, was in Geneva. At that high level meeting, once again it was undertaken that a continuing effort would be made to conclude firm understandings by the middle of December. These firm understandings would provide the general framework for future tariff changes.

There were certain dangers concerning the inability of the United States Congress to continue the waiver provision on the countervail. That difficulty has been ironed out, and now it is possible and probable that all major participants will be able to maintain a schedule and reach certain firm understandings by the middle of December. These will not take the form of tariff changes until perhaps March. All these understandings will not be put into the form of agreements until March. At that time we anticipate taking legislative action to implement tariff and other changes which have been undertaken at these important negotiations.

I should like to turn to the question of the acquisition by Petro-Canada of shares in Pacific Petroleum Ltd. The House and the country have witnessed concerted attacks by the official opposition in recent days concerning this acquisition. So, I thought it was important to put the government's point of view regarding this very important transaction on the record. While the official opposition professes to be in search of the truth of the matter, it has done everything possible to confuse the issue. Because of the confusion which has been scattered so generously by spokesmen of the official opposition, a statement of a few simple facts are in order.

The acquisition of Pacific Petroleum furthers the objects of Petro-Canada laid down in an act of parliament. Parliament enacted a law which laid down the main purposes of Petro-Canada, namely, to help ensure adequate supplies of energy for Canadians at a reasonable price, and to establish a considerable Canadian presence in the energy industry. I do not think anyone will contest the fact that the acquisition of Pacific Petroleum will assist Petro-Canada in meeting its goals. Through Pacific Petroleum, Petro-Canada will be in a position to explore aggressively for and develop natural gas finds in the high Arctic, heavy oil in Alberta, and oil and gas

[Mr. MacEachen.]

off the east coast of Canada, in a manner which takes particular account of Canadian needs.

An important point is that the cash flow from the activities of Pacific Petroleum will enable Petro-Canada to reduce considerably its dependence on funds from the consolidated revenue fund, and to pursue innovative technology for use in the frontier areas of energy exploration and development. Finally, the transaction aims to patriate a corporation with major energy interests in Canada.

**Some hon. Members:** Hear, hear!

**Mr. MacEachen:** The transaction has been carried out on a commercial basis, without the use of government funds, but the government approved the necessary supplementary capital budget of the corporation to allow the offer, precisely because the investment furthers the aims of the corporation and is in the interests of the Canadian public generally.

● (1312)

So why does the official opposition constantly talk about the use of government funds? Why does the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) talk about a massive rip-off of the public treasury when he ought to know, as every other reasonable person knows, that no government funds have been used in this transaction?

**Mr. Gillies:** There is a contingent liability. You are misleading the people again.

**Mr. MacEachen:** Much has been made of the allegation that this transaction involves the nationalization of industry in the private sector.

**Mr. Gillies:** Certainly.

**Mr. MacEachen:** The hon. member for Don Valley (Mr. Gillies) says "certainly, there has been nationalization." It is not nationalization.

**Mr. Gillies:** What is it then?

**Mr. MacEachen:** The concept of nationalization is quite different from this particular transaction, which is a straight commercial transaction in which the shareholders have been free to make their own decisions as to whether or not they wish to sell. That is quite different from nationalization, Mr. Speaker, which is a coercive act by the state against the wishes of shareholders. In this particular case the shareholders are free to sell or not sell.

**Mr. Gillies:** You are confusing again.

**Mr. MacEachen:** The transaction will also extend the reach of the federal agency in the energy industry, but in doing so will provide Canada with a highly efficient corporation with major interests in this country acting to serve the Canadian public interest in the supply of energy.

**Mr. Gillies:** You have misled the House again.