

even if it were privatized, it would still be in the control of Canadians.

We are suggesting two or three amendments. First, the people on the board of directors must at least be residents of Canada; not even Canadians but at least residents of Canada so that hopefully the decisions will continue to be made in Canada, not in the boardrooms of the United States.

Second, we are suggesting that we must reduce the percentage of permissible foreign ownership. Right now under the present set-up we could end up with the effective control of Petro-Canada being outside Canada. If you have three foreign owned blocks, two of them with 10 per cent and one with 5 per cent, 25 per cent controlled by three co-ordinated companies that were foreign, and the rest of the shares dispersed across the Canadian public, with a 25 per cent block you could control that company effectively. There are many corporations in this country that are effectively controlled by a 25 per cent block of shares.

• (1640)

We are willing to pass legislation that says we will let effective control be in the hands of foreign companies. That is shameful. It is a total bewilderment to me as to why the government would do this, particularly in light of the free trade agreement which says that once you establish a maximum that becomes the minimum base. We can never bring that percentage back down. It can only go up. It is very critical that we look not only to the immediate future but to the long term. We must be able to regain control of the petroleum industry and ensure that it is very minimal, that no more than 1 per cent is controlled outside of Canada.

One of the things the Conservatives talk about is that this privatization is a part of their great economic plan. Their great economic plan has led this country into a depression, an economic slump. It is very interesting to note that both free enterprise parties, the Liberals and the Conservatives, have in the last 10 years brought this country twice to its knees. In 10 years they have brought the country twice to its knees in the form of recessions.

Quite frankly we sometimes forget that is what the free market is all about. It is a manipulation of the economy. It is throwing the economy open to all the

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manipulations that take place without protecting individuals. We saw the results of it in this country when the Liberals brought us into a depression in 1981 and 1982. Now the Conservatives are doing it again.

This privatization is part of that. It is a blind privatization. Many of the industries in this country that have been government run and government sponsored have been some of the best businesses and industries. Particularly I look to British Columbia where the B.C. government had to take over B.C. hydro and it became a Crown corporation, a very effective Crown corporation.

**An hon. member:** There are lots of good examples in British Columbia.

**Mr. Karpoff:** Yes, I have lots of examples from British Columbia of where the private companies could not run ferries economically, efficiently, or any other way. Finally the B.C. government had to take over Black Ball Ferries and form the B.C. Ferry Corporation, which is now being run on a very service oriented basis and is providing a vital link and service to the people in that province. It is one of the biggest ferry fleets in the world.

We have the whole insurance system in B.C. We have mentioned earlier that it was brought in as a Crown corporation and now provides the best, the most efficient, and the most effective automobile insurance in all North America. It also retains its earnings in British Columbia. It does not send its earnings to Hartford or Zurich or Allstate or wherever else they have their headquarters. It has all its offices in the province. It has all its assets in the province. It has been a vital economic boon to that province.

What we are going to lose with the privatization—

**The Acting Speaker (Mr. Paproski):** I regret the hon. member's time has expired.

Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Mr. Paproski):** The questions have to be put on Motion Nos. 2A, 14A and 19. I will put the question first on Motion No. 2A. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.