

Petro-Canada. As it now operates, Petro-Canada is like a medical patient who can stay reasonably healthy as long as he gets frequent blood transfusions. These take the form of money either directly from the federal treasury or money borrowed on the strength of the federal government's credit.

We hear about how well Petro-Canada is operating. In the first six months of 1979 it lost \$7.6 million on assets of \$3.3 billion. That is quite a feat. When almost every oil company is enjoying success, the state-owned Petro-Canada is losing money. In fact the financial structure of Petro-Canada as it now exists is over-burdened with debt in relation to its equity. Debt exceeds 250 per cent of equity versus a ratio of between 25 per cent and 40 per cent for other petroleum companies.

An executive vice-president of Petro-Canada said, and I quote:

When we screw up, it is because of the government intervention; when things go well, it is a good business decision.

It has never been the intention of the Progressive Conservative government to dismantle Petro-Canada. We have never said we are going to dismantle it. It is the ownership we quarrel with, not the role of the company. Rather than public ownership through the government by way of a Crown corporation, the government wants a private company that Canadians will own shares in so that everyone can benefit from the potential Petro-Canada profits.

If one advocates an independent Canada with a true meaning of the word "independent", where does government intervention stop or start? Trying to protect a company like Petro-Canada from the free enterprise system is not independent; it is socialism. If there is a time for government to step in and take over an industry, then conversely there is a time when government should step out of an industry.

The proposed restructuring of Petro-Canada sets up a situation where a wholly-owned Canadian company could grow more quickly than under its current form. By transferring Petro-Canada to private ownership we will be providing it with the opportunity and the incentive to become the largest oil company in Canada, and the task force has recommended that only eligible Canadians—eligible Canadians—should be permitted to own shares in Petro-Canada and only eligible Canadians—Canadians, I repeat—should be entitled to buy shares in the after-market. I have stated many times that the shares must go to and remain in Canadian hands.

The new privatized Petro-Canada would have almost all the assets and responsibilities Petro-Canada has now—97 per cent of its responsibilities, to be exact—but it would be reorganized and strengthened to a degree that would enable it to play a far more important role than it does now in the Canadian energy industry.

The key public sector responsibilities of Petro-Canada would be transferred to the government. The government would have three essential functions: the negotiations of any necessary state to state oil contracts; the promotion of increased frontier exploration by Canadians; and the promotion of oil sands and heavy oil research. Our government favours a strong private sector energy industry managed by Canadians. We believe in

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Canadian citizenship ownership rather than Canadian-state ownership. A Petro-Canada owned directly by Canadian citizens would be more effective and efficient and would contribute more to Canada's objective of energy self-sufficiency. Share ownership in Petro-Canada is an opportunity for our children and their children to participate in the immense economic wealth of Canada.

There is no issue about which I feel more strongly than our freedom which exists under the private enterprise system. Our liberty is directly linked to private enterprise. If private enterprise is destroyed, we lose our political freedom. If we believe in the freedom of the individual from state domination, we must not allow any government to dominate our economy through unnecessary government ownership.

So, to sum up, Bill C-212 is another Liberal attempt to usurp the powers of Parliament. The Prime Minister (Mr. Clark) has already stated that any changes to Petro-Canada will be approved in this House. He will bring it to this House. He has made that statement. We do not need the suggested committee to cross this country. A dastardly deed would be done to the Canadian people if this bill ever passed, and I for one oppose this proposal most vigorously.

● (1750)

Some hon. Members: Hear, hear!

Mr. Jake Froese (Niagara Falls): Mr. Speaker, may I take this opportunity to thank the hon. member for bringing Bill C-212 before us because that gives us on this side of the House an opportunity to clarify some points that have been misconstrued so far as PetroCan is concerned.

I was delighted with the opening remarks of the hon. member for Spadina (Mr. Stollery) when he acknowledged the fact that Petro-Canada will go into the hands of Canadians. I am delighted with this, and I hope that as time goes on he will give up the struggle. In fact when I was preparing to speak on this bill this afternoon I thought I should be very careful with what I said.

Mr. Stollery: Mr. Speaker, I rise on a point of order. I apologize, and I do not wish to take up the hon. member's time, but I would like to ask him a question. Where in this bill have I admitted or suggested that the privatization of Petro-Can is a *fait accompli*? This bill is clearly nothing more than a simple and specific recommendation that if PetroCan is to be abolished by this government, the people of Canada should at least have the opportunity to have some input.

Mr. Deputy Speaker: Order, please.

Mr. Froese: I was just referring to the hon. member's opening remarks in which he spoke of the time before the government does anything, and I challenge him on that remark.

Let me come back to what I was saying. In the time I have been in the House I have heard people talk about Petro-