

Government Orders

In that light, I would like to address the three amendments that we are looking at right now. The first is the amendment to try to control the numbers of directors or the composition of the board of directors of PetroCan. The motion would indicate that none of the directors could be non-resident. On the surface this may seem to be attractive but, I think, quite unnecessary.

I would like to emphasize, first, that the company will be Canadian-controlled and that Canadians who own those shares will be able to control who the directors are. I would like to point out, as an example, that Imperial Oil which does not have this restriction has all Canadian directors. It did not require a piece of legislation to ensure that that would happen. The other point, of course, is that the CBCA ensures that a majority of the directors will, in fact, be Canadians.

From a practical point of view, if we have a Canadian-controlled company and these shareholders want to have somebody who is very competent on their board of directors who happens not to be a Canadian resident, it would be quite improper for us to try to impose that restriction on that board of directors.

The second amendment would reduce foreign ownership in Petro-Canada from the limit we set at 25 per cent to 1 per cent. We have had expert witness after expert witness indicate that, if it is going to try to realize the maximum return for our taxpayers, the government should put the fewest number of restrictions possible on the privatization of Air Canada. In fact, we have had some witnesses recommend that we increase or remove the 25 per cent limit. Others have said that, with the 25 per cent limit, they do not feel that there will any undue restriction on the market. But, obviously, to reduce it to 1 per cent is precluding so many shareholders or potential shareholders that we should be trying to encourage to invest in Petro-Canada if, in fact, we are going to get the best return for the taxpayer and the government wants to get that best return.

As to the last amendment which has been proposed, the hon. member indicated his arguments were based on many hypothetical situations. I would first point out that it has not happened to any of the other oil companies in Canada, large or small, where we have seen any undue control by foreign agents.

• (1210)

There would be some very practical and I think quite logical repercussions if we did try to impose this. Most of the investors we would be affecting are in fact pension funds from Canadians. For instance, Canadian National Railway, as a pension fund, invests in many other international companies' shares and other countries' shares. If we were to start to impose restrictions on ours, obviously we would expect some retaliation from these other nations. It is not something that, as a government, we should be entering into.

Another point that I would like to make is that Petro-Canada itself deals internationally with many other countries. Although in most cases other countries are not interested in investing in Petro-Canada, the mere fact that we would be trying to impose these restrictions would lead to us being perceived as attacking those countries and their ability to invest. It would be seen as a very negative thing.

For these reasons, I would recommend that members of the House not support these motions.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, we listened stoically to the parliamentary secretary's intervention in the last few minutes and his brilliant commercial on behalf of Exxon, Shell, and the major multinationals which dominate the field of petroleum the world over.

He was somehow attempting to tell us that there is no role for the public and for the public interest in the field of petroleum. The wise thing to do, according to the Conservative theology, is to withdraw from the public interest. In that sense, the Tories are quite consistent. They are doing it with VIA, Air Canada, the CBC, and now effectively so with this bill and through this bill with Petro-Canada. We are told to leave it to the seven sisters, or the five now. Leave it to the private sector. They will take care of Canada's energetic future.

We also hear the parliamentary secretary suddenly defending the taxpayers' interest by way of this bill. That is rather amusing since he belongs to a party and a government that has doubled the national debt between 1984 and 1989, from some \$165 billion to some \$380 billion.

All of a sudden, it is the bottom line that counts after six years of mismanagement. This is the message that comes these days from the Tory government benches,