

Government Orders

Let us put that into perspective. During the period 1983 to 1988, new Canadian energy issues averaged an annual total of about \$2 billion. That is all energy issues combined, Mr. Speaker, which is probably what Mr. James Doak, an oil analyst with First Marathon Securities Limited, was thinking of when he responded to the Petro-Canada news last winter by observing "the privatization will compete with every other company trying to tap the equity market". The immediate implication? "They probably won't be able to get a good price for the shares," said Doak.

Of course, the government knows all this. That is why the Minister of Finance said in the House of Commons on February 23, 1990, as reported at page 8747 of *Hansard*, and I quote:

—the sale of the shares of Petro-Canada will take place over a period of time, depending on market circumstances, depending on the attractiveness of the market to the company and to ourselves and of selling into that market.

The government is still saying more or less the same thing: we are going to sell it, but God alone knows when.

Again, I must stand and wonder. These people are generally credited, by those ostensibly in the know, with having, if nothing else, the virtue of good hard-nosed business sense. It is amazing, and no small cause for deep-seated worry over the fate of our major business and financial institutions, because most of them are piloted by people who apparently believe this.

In sum then, dumping Petro-Canada onto the energy equity market, especially at a time when Imperial Oil will be struggling mightily with the capital task of swallowing Texaco Canada, seems to be just about the worst way one could go about raising the further money the company needs.

It will be cumbersome, necessarily long-term, and unavoidably entail a raid of some scale on the public purse.

There is plenty of corporate elbow room for further debt financing anyway.

But, having noted all this, we must eventually come face to face with the real question posed to this House and to all Canada by Bill C-84: Is there a reason to keep Petro-Canada in public hands? Does the company have any public role to play?

It is patently obvious that Petro-Canada is not now playing an active public policy role. It is equally obvious that the government can conceive of no such role for it.

The hon. minister set out reasons why not in his February 21 statement. He summarized Petro-Canada's original mandate as: "to engage in state-to-state trading, to give the government a window on the industry and to contribute to the energy security of Canada". He then dismissed each goal in turn. Quoting the minister again, as reported at page 8619 of *Hansard* of February 21, 1990:

—in the past 14 years, Petro-Canada entered into only one state-to-state deal and it is very evident that these arrangements are no longer an important component in today's world oil market.

As for the window on the industry issue, the government understands and has available to it all the information it requires in order to provide safe and secure energy to Canadians today and into the future.

And finally, if one is concerned about Canada's energy security, they would naturally support a decision which would allow Petro-Canada to participate and develop the reserves that have been discovered in cooperation with other private sector partners.

I know it will delight those across the way to listen to me say that it is at least arguable that his first two points have some merit. There is at present no pressing need for a state-to-state trading vehicle and industry information collection mechanisms available to the government, through the Department of Energy, Mines and Resources, the National Energy Board, the petroleum monitoring agency and others, can be made adequate for review and policy formulation purposes in normal times of modest price fluctuations such as those obtaining when the minister made those remarks.

I would note, parenthetically, that the contention that a Tory government would actually make use of such information, actively to provide safe and secure energy for Canadians is an arguable, some would say laughable, contention, but the potential is there at least in normal times.

The third point, that privatization will allow Petro-Canada better to participate with its private-sector partners is simply rhetorical market-worship voodoo. There is no evidence to indicate Petro-Canada is having any difficulty participating right now. Quite the contrary. One of its biggest problems is its propensity as a Crown corporation to participate entirely too much.

More to the point, as we contemplate Bill C-84, are those mandates Petro-Canada could and, in our view, should be assuming? We believe that there are several legitimate, even crucial, public policy roles that any sane government in a sparsely populated northern country would want a national energy company to play. First, the maintenance and—what the heck—increase of Canadian