

Yes, it was some years ago that we did work on a position paper for the privatization of Petro-Canada. I believe it was 1985. At that time it was quite obvious that Canada no longer needed the Crown corporation as it was not fulfilling its mandate.

My colleague asked me what did this company do for lessees. I am scratching my head because I am having trouble coming up with a specific answer. I would like to pose the question back to the hon. member, although that is not quite what Mr. Speaker would want. What is the Government of Canada doing owning 3,300 gas stations across this nation?

The prices are set by the market, and I think you probably realize that, Mr. Speaker. For the lessee-owner, one of the things that probably hurt a lot of people was that it put some out of work. No doubt the Government of Canada has 3,300—I will check that—gas stations across the country. It certainly did not benefit the consumer.

The major thing is that Petro-Canada can play a role in the security of supply. What it really needs and where it should be is out in the marketplace raising its own capital, be it through debt equity or whatever type of cash infusion. It will probably be floating some bonds or a debt equity issue, but it is to go out and to explore, develop and produce. Production is not needed so much today but when we have proven reserves we certainly know that in the future we will be able to support the needs of Canadians.

What is interesting today, and when my colleague asks what did it do for the lessees or did not do, is not so much that it did not really help the lessees, but that Canada today produces about one and a half million barrels a day. We export 615,000 barrels of oil a day and import about 550,000 to 570,000 barrels a day. This means that we are net exporters and that leaves us in a good position and with our IEA agency and our commitments to the OECD people, this does put us in a good spot. We want to maintain and always be net exporters so we are giving Petro-Canada a vehicle where it can raise the funds. It will be able to go out and develop or discover these new proven reserves that will enhance the future of this country. I thank my colleague and say, I think it is time we got rid of those 3,300 gas stations—

• (1740)

**An hon. member:** The lessees must be—

### *Government Orders*

**Mrs. Sparrow:** The lessees will be happy.

**Mr. John Manley (Ottawa South):** Mr. Speaker, I would just like to ask two very simple questions of my friend, the hon. member for Calgary Southwest. First of all, she has described Petro-Canada as a corporation in fairly damning terms. If it is really as bad as she said, who in the private sector is going to want to buy it?

Second, I would like to ask her why, knowing that she has been very interested in much of the work that has been done by other provincial public companies in Canada in the energy sector, such as Hydro-Quebec and Ontario Hydro, would she explain to me why she thinks it is necessary that Petro-Canada be sold, equity-wise to the private sector, and cannot raise the capital that it needs through debt financing?

**Mrs. Sparrow:** Mr. Speaker, I appreciate the questions from my colleague, the hon. member for Ottawa South. I certainly had the opportunity to work with this colleague on the Committee on Industry, Science and Technology, and we are sort of into that right here. I enjoy working with the hon. member.

Yes, I did mention things about Petro-Canada and the whole question is about its future as a private company. That is where its future is going to be. By not subsidizing or pumping in billions of dollars, which our mandate was and it changed in 1984-85, the company really has no other source of funds. Well, yes, it has profits, but what I was discussing today is that Petro-Canada has assets of about \$6.8 billion and those have been written down in the last four years too. If you have assets like that and you only generate about \$56 million in profits, there is something wrong. But it does need capital and it certainly will be able to go out into the market.

**Mr. Manley:** Borrow.

**Mrs. Sparrow:** It cannot borrow, it has too much debt. What we need to do is to allow it to go out into the market where it will be able to meet its obligations.

It is involved in the Hibernia program and I think we just voted on that the other day in regard to the east coast and bringing some sort of security of supply there. Petro-Canada also has a large interest in Terra Nova, I think about 25 per cent but do not quote me. It has a large interest in the Beaufort and it is going to be sooner rather than longer that we will see our reserves on our northern Canada Lands, up in the Mackenzie Valley, brought on stream, after environmental assessments