

appropriate to public business, particularly where to do so in this case might have the effect of inducing this House to forbear from in-depth consideration of all possible implications of what is before it through reliance on statements by the minister that, notwithstanding the form of the statute, the intention is not to engage in certain activities but rather to limit the Crown company to the business of tar sand development, frontier exploration, off-shore purchases, and research and development into alternative energy supplies.

● (1700)

The purpose and authority of the proposed company should be specified and frankly disclosed on the principle that if in the future it should be considered desirable as a matter of public policy to widen the scope of the proposed company's undertaking, the minister could then return to parliament with fresh legislative proposals and advance these on their own merits in the light of conditions and circumstances that may at that point in time apply.

Unlike some of my colleagues, whose views I nevertheless respect, I have no particular prejudice against government involvement in commercial activity when logic and circumstance indicate such involvement to be appropriate and in the public interest. Power utilities, telephone utilities, the Bank of Canada, the Canadian Broadcasting Corporation, Central Mortgage and Housing Corporation—all these are examples of such activity by provincial and federal governments.

However, I do suggest there should be criteria by which the need for and desirability of such government activity and involvement are judged, and such criteria would surely include the following test—has the private sector failed to meet a demonstrable social or economic need in connection with the commercial activity which the government proposes to enter? In the case of the domestic petroleum industry I submit to the minister that he has totally failed to meet this fundamental test.

On the contrary, in the 20-odd years since the Leduc and the Redwater discoveries in Alberta the domestic petroleum industry has developed from a relatively insignificant state into what could be characterized as a mature, aggressive, innovative and confident industry, willing and capable of undertaking the high-risk, difficult task of providing for Canada and Canadians self-sufficiency in petroleum and natural gas supplies for the decades ahead and, incidentally, employing directly hundreds of thousands of Canadians in both western and eastern Canada. That, at any rate, was the situation a little more than one year ago.

There are those, Mr. Speaker, who favour state ownership and control for its own sake and who would welcome creation of a national petroleum corporation regardless of considerations of cost and practicality. There are others who view state ownership of commercial entities as unacceptable per se and reject such a concept regardless of any benefits which might be forthcoming. For most Canadians, however, government involvement in the private sector is neither panacea nor Pandora's box. Most Canadians, I suspect, would wish to have each case examined on its merits. For this majority the judgment for or against the merits of establishing a national petroleum corporation

#### *Petro-Canada*

will depend on the particular benefits that such an institution can offer, weighed against the costs which would inevitably accompany such a huge undertaking.

In considering this question it is important to bear in mind that longstanding, in-depth government involvement and participation in Canada's energy industry is a scarcely questioned fact of life. Control of the oil and gas sectors, the sectors most relevant to our discussion, is exercised by both federal and provincial authorities.

Conservation boards in Alberta, Saskatchewan and British Columbia control the levels of production of oil and gas in their respective provinces and pro-ration such production among the various producing companies.

At the federal level the National Energy Board is charged with the responsibility of ensuring the best use of Canada's energy resources. It regulates the construction and operation of inter-provincial oil and gas pipelines, and the import and export of oil and gas. It exercises jurisdiction and control over mineral lands situate beyond provincial boundaries in the Mackenzie Delta, the high Arctic and the east coast offshore, and makes use of other means of influencing the energy industry through fiscal and taxation measures and moral suasion.

It is evident then that government involvement in the oil and gas industry is not lacking. The question before us, therefore, is not whether to permit government participation in the industry but whether even further participation is warranted.

What can a national petroleum corporation be reasonably expected to contribute to the government's arsenal of existing weapons of control, and to the Canadian economy? What additional problems and costs might it create? Obviously a decision as to the creation of a national petroleum corporation should depend on the weights of the arguments pro and con. The respective weights, however, cannot always be objectively determined. In many cases they are entirely the product of subjective evaluations, and consequently are not quantifiable at all. It is therefore quite possible for individuals to agree on the facts while disagreeing on the preferred policy option. To the extent, however, that one's preference is based on factual considerations, it is important that the facts be accurate.

In the current controversy over the establishment of a national petroleum corporation, enough fanciful powers have already been ascribed to such a corporation to warrant a warning as to what it cannot do.

A national petroleum corporation cannot ensure an adequate supply of energy. If future Canadian needs are to be met from Canadian sources, policies beyond a national petroleum corporation will be required to ensure that domestic priorities are met first. If domestic sources of oil run dry, a national petroleum corporation will be unable to protect Canada from oil shortages, just as European state companies have been unable to protect their respective home countries. It cannot ensure a desirable rate of resource development. If the actual rate diverges from the desirable one, policies beyond the establishment of a national petroleum corporation will be required to induce companies to either speed up or slow down their exploration and development activities.