

countries which depend upon the private sector to produce and distribute their resources.

● (1550)

By this bill, the government clearly demonstrates that it no longer has confidence in the private sector operating effectively in this country. This bill could socialize our oil industry right down to the retail service station level. Does anyone really believe that there is a need for establishing a corporation to distribute refined petroleum products in this country? A look at any of our towns, cities, villages or crossroads would indicate that the last thing the government needs to invest money in at this time is the establishment of a distribution system for petroleum products. It is obvious to everyone that the distribution system that we have is working effectively.

Surely the government does not need to take taxpayers' money to become involved in this kind of operation. It should give us cause to ponder when we think back a year to the time the Department of Supply and Services made what was probably the highest priced purchase of oil of all time, certainly in the history of this country. Surely, Mr. Speaker, before we get into this sort of nationalizing effort, the first thing to do would be to work out a set of regulations and laws making it possible for the industry to operate and to give us time to determine whether there is any need for this sort of direct government intervention.

In setting up Petro-Canada, I cannot help comparing the involvement of the federal government in the grain industry in the form of the Canadian government elevator system. This system, which costs the taxpayers millions and millions of dollars, has to all intents and purposes been unused through the years and a continual drain on the hard pressed taxpayers of this country. I cannot help wondering whether the proposed investment can be justified. You have to ask, will the exploration required from this corporation go over the same ground on which private corporations have carried out their exploration? Surely, if those private companies found nothing, what is the point in returning to look in the same place?

In Clause 22 of the statute, Petro-Canada is given what amounts to a blank cheque in the form of virtually unlimited ability to receive advances from the Consolidated Revenue Fund of Canada. This can be done either by way of loan or purchase. It is difficult to understand how the new corporation can ensure lower energy prices for Canadians. Provincial power corporations have been unable to keep their rates down, even with 100 per cent ownership of the industry. It is equally difficult to understand how this government corporation can equalize oil prices in all regions of Canada. It is generally estimated that the cost to the Canadian taxpayers of creating this national corporation, if it is to be a significant force in the industry, will be up to \$6 billion and, as I said before, the task can take anywhere from 15 to 20 years to accomplish even assuming a high degree of exploration success.

It seems that in a period in our economic history when Canada is experiencing a horrendous rate of inflation, it is really inappropriate for the government to preoccupy itself with an empire-building oil exploration venture which will increase rather than lessen the inflationary pressures that work in our economy, and which will

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render more scarce already scarce materials, personnel and hardware which otherwise would be deployed in the private sector.

I have been in this business of government long enough to know that we do not have a group of wise men and women making altogether sensible decisions in the society's greater interests. I have found, instead, waste, bias, stupidity, arrogance, a concentration of trivia and, worst of all, arbitrary and often uncontrolled power. The agencies enforcing federal and provincial regulations are increasing and the administrative cost of this army of enforcers represents but the tip of the iceberg: it is the cost imposed on the private sector that is really large.

The major cost resulting from the operations of this growing force of federal inspectors and regulators shows up in the added expenses of business firms who must comply with their directives, and who inevitably have to pass on these costs to their consumers; therefore, a substantial inflationary multiplier must be applied to direct outlays in respect of federal controls. It is easy to imagine the number of superintendents and foremen across this country who spend thousands of man-hours a year guiding inspectors through their plants. This need for government inspectors also has siphoned off experienced supervisory personnel.

A direct private cost resulting from the expansion of government controls is the growing paperwork burden imposed on business firms through the expensive and time-consuming process of submitting reports, making applications, filling out questionnaires, replying to orders and directives and appealing to the courts from rulings and regulatory opinions. There are literally thousands of different types of approved government forms.

Another hidden cost of government regulation is the reduced rate of innovation. The longer it takes for some change to be approved by a government regulatory agency for a new or improved product or a more efficient production process, the less likely it is that the change will ever be made. I would like to see the Government of Canada put its efforts into developing alternate sources of energy along the lines of our good friends in the United States. Certainly, I believe atomic energy is an appropriate role for government but I am satisfied that private enterprise can continue to do a good job in our oil industry.

We are one of few nations in the world which should have surplus resources for the next 100 years, and I hope that the opportunity this gives us will not be lost by the fumbling of a politically oriented government. The real issue before us right now is how to take the best course of action to bring to the people of Canada the opportunities our resources give them at a time when the world so desperately needs them. As we have said many times in the House, the simplest, easiest and best alternative is to let Canadians as individuals own this country. This can be done by providing a tax incentive to Canadians as individuals to increase their ownership of the five major companies, for instance, which control our oil industry. This could be done in a very few years. I have great difficulty in believing that the oil companies operating in this country are our enemies.

Another clause in the bill that gives me cause to ponder is clause 7, subparagraph (2) which reads: