

*Petro-Canada*

per cent. Venezuela was good for only 11 years. Indonesia had enough left for only 13 years. It is in Algeria that known reserves are the largest. World reserve is 7 per cent, and world production only 2 per cent, while Algeria's reserves in 1972 was good for 120 years. As to Koweit and Lybia their reserves were good for 35 years. For the USSR it is 26 years, 54 years for Saudi Arabia, and 66 years for Iraq. Altogether, known world reserves were 664.5 billion barrels based on production in 1974. That reserve would last only 36 years.

Mr. Speaker, I wonder whether the proposed investment is really justifiable. Will the exploration required from that corporation go over the same ground where private corporations carried out theirs? If those private companies found nothing, what is the point in returning to look in the same places?

If companies such as Imperial Oil Limited, Texaco Canada Limited, Shell Canada Limited, BP Oil Limited or others have found considerable reserves and have not revealed their content because they are keeping them for later, I think it is the responsibility of the government to find a way to compel them to divulge the results of their research.

That corporation will be composed of 15 members. I suppose, Mr. Speaker, that the Minister of Energy, Mines and Resources (Mr. Macdonald) will not have to write every Liberal member to get suggestions from good Liberals as to who should be appointed head of that corporation.

I suppose he has already thought of some people to manage that new corporation. Yet, Mr. Speaker, in view of the experience of other Crown corporations, we may be allowed to entertain some doubts. Managing a public corporation and managing a private one is quite different. In a private corporation, be it of a large, average or small size, one is accountable to someone; private investments are managed and must be managed wisely so as to grow or one's job is at stake. It is not the same in a public undertaking like a Crown corporation. Even if one is steering a wrong course, even if questionable experiments are made bringing no return, there are no penalties. It is public funds which are spent.

Now, Mr. Speaker, we have seen the same thing happening in other Crown corporations and this is the reason why I entertain some doubts about the outcome of this one. I cannot therefore support the government in the establishment of such a corporation. I have doubts about the results in the first place. Private companies looked after oil exploration and development, they provided Canada with reserves. I believe they did their best. They may have gone too far, because they are not exempt from wrongdoings. But that is something for the government to regulate.

For the benefit of Canadians, Mr. Speaker, if new discoveries are aimed at, we have had experience, in the province of Quebec with a Crown corporation named SOQUIP. It is affiliated with private companies. Until now the results are not so great. Nothing much has been accomplished, although it has been in existence for some years. I believe a federal corporation will not live up to expectations, other than giving jobs to a select group of public servants, and spending the taxpayer's money. The \$500 million will have to be borrowed, because we always

[Mr. Laprise.]

have a deficit budget. Therefore, money will have to be borrowed to accomplish what has not been done by private enterprise.

At the committee stage, where the details of the bill will be scrutinized, we will have the privilege of questioning people with expertise in this field. We will have an opportunity to obtain more information on every aspect of the bill. We will then be in a position to have a clearer picture of results that may be expected from this kind of corporation.

Therefore, I am not ready at this stage to support the bill. I would however approve its referral to committee, but I have serious doubts that the aims can be achieved. In a democratic type of society such as we enjoy in Canada, I find it amazing that we are constantly endeavoring to administer the socialist way.

[English]

**Mr. Jim Balfour (Regina East):** Mr. Speaker, I welcome the opportunity to enter into the debate on the merits, or otherwise, of passing an enabling legislation to permit the federal government to create yet another bureaucratic monster, for which the long-suffering Canadian taxpayer will pick up the tab, in the form of a national petroleum corporation, otherwise to be known as Petro-Canada.

It is quite clear and obvious from a perusal of clause 3 that the purpose of the bill is to establish a Crown owned petroleum company within the petroleum industry of Canada. Under the act, Petro-Canada, as the company is referred to in the bill, will be given the authority to explore, develop and exploit hydrocarbon deposits within and without Canada, carry out research and development projects related to hydrocarbons and other fuels, engage in distribution, production and refining and marketing of fuels and, finally, negotiate for and acquire petroleum products necessary to maintain Canadian supplies from abroad—in short, Mr. Speaker, a fully integrated petroleum corporation.

Its authorized capital is to be \$500 million, and the legislation bestows upon the corporation those ancillary powers normally associated with commercial entities operating in the private sector, including wide borrowing powers.

In addition, by 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 out of the consolidated revenue fund of Canada, either by way of loan, or by way of purchase by the consolidated revenue fund of preferred redeemable shares of the company, and the authorized capital of the corporation shall be automatically deemed to be increased by the amount of any preferred shares issued pursuant to such an arrangement.

Before undertaking a more detailed cost-benefit analysis of the bill before us, may I make the general observation that I consider it an unfortunate practice by government to frame legislation in terms far wider than are required to achieve a stated policy object, whether on the grounds of future convenience or otherwise.

A drafting approach appropriate to the private sector, when one normally drafts object powers for incorporation purposes in as broad terms as possible, is not, I suggest,