

Petro-Canada

who have jobs, and finding jobs for all those who want to work but cannot find suitable employment. We also face inflation, which this government seems to feel will just go away if we ignore it.

Let us leave the high-risk ventures to the private sector. Let the oil companies do what they can do best, and for goodness sake let us stop putting artificial barriers in the way of companies that want to risk their capital to find new sources of oil and gas. We have plenty to occupy us, without spending a tremendous amount of money looking for petroleum products.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I should like to take part in this debate as a member representing an oil producing area in southwestern Saskatchewan. I am well aware of the desperate straits in which the industry finds itself in that area.

Canada was created in the face of difficulty and adversity. This was a remarkable achievement, only possible as a result of the spirit and dedication of the people who accomplished it. This country is still ready to respond with vigour and hope, if it can get leadership from this government and if the people are aware what the rules of the game are to be.

Bill C-8 does not mean the government now thinks that Canada has not been well served by private enterprise in the petroleum industry, because private companies, whether Canadian or foreign-owned, have worked vigorously to develop our oil and gas resources, to create transportation systems for them and to refine and distribute our oil products efficiently. The privately-owned Canadian oil industry has a good record of technical and managerial innovation. We should not be swayed by the fact that every one of the dozen countries from which we import significant quantities of crude oil has its own state oil company. A good look at these countries would soon show us that most of their rulers value the licence of unfettered sovereignty and anti-westernism more than they value food for their own people.

It is only natural to wonder when this proposed national oil company will get under way. The best estimates would indicate that it will be 15 or 20 years, perhaps even longer, and certainly there is no indication that the company will produce even one extra barrel of oil for the Canadian people. One thing is sure, and that is that it will use even more of the taxpayers' money and mean an even greater expansion of government into the private sector. So it would seem that our government will be standing passive for a good number of years and we will be living on the efforts and assets of the past for some time to come. If it is to take 15 or 20 years to get production under way, it is interesting to note that this bill proposes five-year appointments for the president and chairman, and three-year appointments for the directors. This does not seem to provide much security of tenure in a company that will be 15 or 20 years developing.

I suppose the crucial question is whether there is a real need for this bill to create a national oil company. Let me quote from the March 27 edition of the *Swift Current Sun*. Under the heading "April production less than 5 per cent" and "100 per cent shutdown of local pipeline", we find the following:

[Mr. Darling.]

South Saskatchewan Pipe Line Company, with offices in Swift Current, suspended its crude oil gathering operations effective this morning.

Another paragraph in the same article reads:

The shutdown has caused Mobil Oil Canada Ltd. of this area to also shut down production and water flood injection facilities in southwest Saskatchewan.

Further on in the article it is stated:

In April, 1974, there was the capability of producing 37,000 barrels a day, which is not the case now.

On the same page of this newspaper there is an article in respect of Texaco, which reads in part:

Texaco Canada Ltd. estimates there will be a surplus of domestic crude oil until at least 1994.

That is the situation in my area. This bill is so broad that it is clear the government is taking the position that the private sector can no longer be counted on to develop the natural resources of this country. I think that Canadians basically believe we should have an economy operated by the initiative of its citizens and not of its government. This bill asks us to incorporate a new government entity called Petro-Canada. In fact, it is setting up a national petroleum industry to be operated by the Government of Canada. This will certainly be another step in eroding parliamentary control of the expenditure of tax money—expenditures that must be covered by revenue. Expressed as a percentage of our gross national product, these revenues rose from 16 per cent in 1926 to 30 per cent in 1946, the last of the war years. In 1958 that figure dropped to 25 per cent, but today 38 per cent of the total GNP accrues to the government in the form of revenue. This trend is placing an unbearable load on the private sector of our economy. We now have one federal government employee for each 50 Canadian men, women and children in our country. In 1967, after 100 years, the federal budget was approximately \$10 billion, and today it is almost triple that amount.

Presumably, the creation of this company is an indication that the government believes there is inadequate exploration by the oil industry today. The majority of informed people involved in natural resource development in Canada would agree. However, we must point out that the reason there has been a decline in exploration activity in this country is precisely the result of this government's interference. This government has evolved policies which make it almost impossible for the private sector to operate and to explore in the way it has in the past. The oil and petroleum industry has never had to live with such uncertainty as it has experienced within the last three years, or with a hodge-podge of tax legislation and confrontation that makes it impossible for the industry to operate in a normal way. The government has formulated no rules or regulations regarding exploration for oil in the vast northern areas of the country which have still to be explored.

It seems peculiar that at the very time we are concerned about supply, exploration and getting more oil on stream, there is a whole series of activities on the part of the government which makes it impossible for exploration to go ahead. We should take a good look around the world, as I am sure the evidence will demonstrate that countries with the highest standards of living are basically those