

they have done so, then the regulations will be shaped and trimmed to favour Petro-Can with all its interest-free money. Can anyone in his right mind believe that international companies will continue to find oil and gas, only to discover that Petro-Can will take over the fields?

One of the provinces in western Canada tried that and that is one reason Alberta today has about 86 per cent of the known and proved resources in this country. In the 1940's the drilling rigs left Saskatchewan because of a similar policy on the part of that government. It said to the industry that it should find the oil and gas and, if it did, it would then belong to the province. People just do not operate a business on that basis. Even if you tried this on a very small business you would run into the same difficulty. If you are selling hot dogs on the street, and as soon as you start making a profit somebody takes over the business you will find you just cannot do business on that basis. Can anybody in his right mind really believe that the international companies will continue to find oil for Canada on this basis?

This all adds up to one thing. If we are to remain self-sufficient, then the same rules that apply to the private sector must apply to Petro-Can. Why should Petro-Can be given a favoured position? How can the private sector operate in that kind of a climate? In my experience they can only do so on one basis, and this may be the strongest part of my argument. Because of the efficiency of the oil industry, even dealing in risk capital, the industry will out manoeuvre Petro-Can at every stage.

I am unequivocally opposed to Petro-Can, but if we are going to have it thrust on us by this government with the support of those socialists in the NDP, then let us have rules and regulations so that everybody is operating under the same rules, playing the same game. Imagine if you had a baseball league and you gave the Red Sox a different set of rules under which they played than you gave the other teams. This is in effect what you are asking. I suggest that you would soon have the other teams dropping out of the league, and that is what you are going to get from the private sector.

I have spoken longer than I intended to, but those are some of the reasons I support the amendment. I ask the minister and the government to reconsider their position about advancing this money without interest because other Crown corporations are asked to pay interest, except the CBC which borrows money when it has no assets with which to ever repay it.

● (1120)

Mr. Arnold Malone (Battle River): Mr. Speaker, this bill, when first conceived, of course was a bad bill. It is less evil now than it was in its original form. The fact of the matter, however, is that it is still considered to be wrong. It was conceptually wrong right from the outset. I think previous speakers have touched on the fact that the most serious damage that is being done by the introduction of the Petro-Can concept is the fact that the government is now entering into the petroleum game, but has decided not to play by the same rules as other companies in the private sector. It is a rather serious situation into which the government is entering, a situation wherein the government now enters the petroleum industry with spe-

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cial and separate rules for itself. It has special rules in terms of the financial structure, in terms of its right to be able to drill for oil and in terms of its right to access to research related to the petroleum industry. All that of course leads to the essential problem which was enunciated with the concept of Petro-Can.

The problem is that we now have a Crown corporation entering into the field with a separate set of regulations for itself. This will cause a degree of trepidation in the private sector. It will certainly stir up and haunt the private people. It will tend to prevent any efficient search for supplies. There can be no genuine search for supplies in this country so long as the government is taking part in this kind of activity. This causes a degree of nervousness in the private sector. That is what is happening. So long as we have a nervous private sector, there will be no increase in supplies in this country. Anyone who analyzes what Petro-Can will do soon comes to the obvious conclusion that it is to be a company quite apart from our traditional companies. If it is to have a separate status there will be a ripple of fear throughout the whole industry. It is that ripple of fear that will damage this country. My argument will be that this will offset any gain that would ever come from the \$1½ billion being spent by this government.

We might take a look at some of the arguments advanced in yesterday's debate on the amendments. As recorded at page 7200 of *Hansard*, we note that the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) quoted the petroleum industry as saying:

If we don't get more money we are going to slow down our exploration programs.

Then, he went on to say that the oil companies have been shifting their drilling rigs south of the border. Some members in the Progressive Conservative Party said, of course, that this will only happen if we destroy the profit motive because they will go where the profit is. Somehow the hon. member for Nanaimo-Cowichan-The Islands set the stage to assume that so long as these rigs went where there is a profit, there is something evil or harmful associated with it. What he failed to say was that to the south we have the United States which has no Crown corporations. They are telling us they want to be self-sufficient in energy by the mid-1980's. The fact of the matter is that that country uses far more energy than we do, possibly for no other reason than they have ten times the population we have. The private sector in the United States is moving. Advances are being made and they are talking about self-sufficiency.

Members opposite and members of the NDP have been trying to tell us what is happening in this search for supply. We might take a look at some of the illogical conclusions that have been drawn. I will again quote the same member. He said:

The real tragedy is that a national petroleum company was not set up 10 or 12 years ago.

Then, he continues with this statement:

How can the Canadian people participate in an industry 90 per cent of which is today controlled by foreign oil companies.

Well, if there is a fear about foreign ownership, that does not necessarily lead to the conclusion that therefore there ought to be a government-owned corporation. There