

The Address—Mr. Broadbent

I feel there are Conservatives who recognize and accept their public ownership tradition. I could list those in the Conservative party who have recognized the need for a public sector in this country to serve important functions. Not only is the present Prime Minister betraying what I regard as the general interest; he is betraying a particularly important, if minor, aspect of his own party's traditions.

I want to say something about Petro-Canada in detail. The Prime Minister tends to be very frank in private conversation as well as in public. When he talks about parliamentary reform he believes it; I have no doubt about that. I listened with care today when he said that he intended to consider amendments very seriously in the present Parliament, and if I understood the argument he implied that he would lend the government's support, and implement policy along those lines. In that context, therefore, I want to talk seriously about Petro-Canada because it concerns me. I am not interested in the paternity aspect. The Leader of the Opposition talked more about the paternity of the institution than about its importance. I would welcome a paternity suit by the Leader of the Opposition any day, and I have no doubt about who would win it. It is not paternity that is crucial here; what is crucial is the institution and what it does for our country. What has Petro-Canada done for all our regions during the past year?

First of all, it opened a research centre in Calgary which provided \$10 million for Canadian men and women to work on a Canadian resource. That meant Canadian jobs. In the past year it spent \$1.5 billion on the purchase of Pacific Petroleum Ltd. This means that Canadians from British Columbia and as far east as Thunder Bay can go to a Canadian-owned petroleum station and know that the money they spend there will stay in Canada. That is important, because in this way the company acquires capital that it can invest to explore for more oil in the north or off the Atlantic coast. It gives the company a cash flow. It is not simply jingoistic nationalism although I, for one, believe we need a little more of that. I believe it has an important economic function.

In the east, Petro-Canada is currently involved in 80 per cent of the drillings off the coast of Labrador. It was involved in the strike off the coast of Nova Scotia at Sable Island, and it was involved in the discovery made off Newfoundland about two weeks ago. These are some recent examples of what Petro-Canada has done for our people in different regions.

I want to make the point that just a few years ago, shortly after it was forced upon us by the minority government at Christmas, 1973, the corporation was established with some \$500 million in assets. But it has taken that investment and used it to create jobs for Canadians in virtually every part of our land, to find energy resources, and to provide retail outlets for Canadians. Instead of being simply a \$500 million loser that the President of the Treasury Board would like to get rid of, that \$500 million has been taken and turned into \$3.5 billion for the people of Canada. Petro-Canada is the great business success of the decade, and we should be expanding it.

● (1710)

I want to provide some arguments for maintaining this corporation as an integrated entity that will continue to serve Canadians. Any resource sector should be developed with two views in mind. First, one should try to maximize the number of Canadian jobs. We should not just export the resource, but develop a secondary industrial strategy based on the resource. Second, an end product should be produced, in this case energy. That is the first reason for maintaining Petro-Canada as it is. It should become part of a totally integrated developed energy sector, Canadian owned and Canadian controlled.

In pursuing the course the government has embarked upon in this area it is going to repeat something done 20 years ago by the last Conservative government, of similar proportions. Twenty years ago the last Conservative government announced that it would kill the Arrow project, this is an interesting parallel. Consider, sir, what was going on 20 years ago. The Arrow was a plane designed and produced by approximately 14,000 Canadians working in the Toronto area. Without question it was the best designed engine of its time. On its test flight it had the best record of any jet of its type anywhere in the world. But the Conservative government of the day decided it was too costly and the project was scrapped. The cost would have been \$3.75 million per jet had they continued.

What are the consequences of that decision? First, we bought the Bomarc missile which turned out to be a military dud, quite apart from other considerations. Beyond that, we lost one of the most highly skilled and talented labour work forces in the world. As a result, these people went to the United States and worked on the space program. I am sure they are working now on a lot of the planes we purchase from the United States at five times the original cost of the Arrow.

The lessons to me are important, Mr. Speaker. Some people say that perhaps we could not have done it. At the same time, in 1959, Sweden had the Saab aircraft. As it turned out the Saab was not as good as the Arrow, for technical reasons. However, the Swedish government made a different decision. Up until recently the Swedish government has believed in an industrial strategy, and the current government maintains the same basic policies. Because the Swedish government decided to stay with the Saab aircraft and pursued the industry, that country is now exporting aircraft all over the world. A spin-off has resulted in the automotive industry also called Saab.

Twenty years ago Canada made a decision which resulted in the loss of technicians and of a tremendously exciting aircraft industry in terms of its potential. I say to you, Mr. Speaker, that we must not make a similar decision now. Just as we could have gone ahead with an imaginative aircraft industry then, we must keep Petro-Canada as the central, integrated, developed petroleum company now. The Prime Minister must not be allowed to snatch defeat from the jaws of victory with Petro-Canada.

Second, Petro-Canada can ensure that this country gets development when it is needed and at the price we want. In the early 1970s the multinationals went on an exploration strike. They said they were not making enough money. They were