

in the review, appeared to balance out, and no conclusion was drawn one way or the other. I think that this fairly reflected the Government's position at the time.

I need hardly remind the House how much things have changed since then. The physical limitations of commercially-accessible energy resources in Southern Canada have become even clearer. The economic, technical and environmental problems of developing the energy resources on our geographical and technical frontiers -- the North, the oil-sands and the offshore -- have, if anything, been magnified by the passage of time. The terms and channels of access to overseas oil and energy supplies to meet deficiencies in our domestic resources have sharply changed. Fresh uncertainties have arisen as to the physical security of those supplies in certain circumstances. And we have experienced, and still face, huge increases in the real cost of our energy supplies, whether from the domestic frontiers or from abroad.

Our published analysis of the pros and cons of public enterprise in the petroleum industry was carried out towards the end of a long period of tranquillity, and apparent stability, in domestic and international energy affairs. The changes since then, in circumstances and outlook, have been radical and, for the most part, permanent. It is the extent and nature of these changes which have, in our view, tipped the balance decisively in favour of federal entrepreneurship in the oil and energy industries.

This does not mean that the Government finds that Canada has not been well served by private enterprise in the petroleum industry. Private companies, whether Canadian or foreign-owned, have generally worked vigorously to develop our oil and gas resources, to create transportation systems for them, and to refine and distribute oil products efficiently. The privately-owned Canadian oil industry has a good record of technical and managerial innovation.

The concerns which have led the Government to propose establishment of a national petroleum company have much more to do with the future than with the past. These concerns relate principally to matters of energy supply -- particularly the supply of oil and gas.

The Government does not feel assured that the private sector can be relied upon to mobilize all of the enormous amounts of capital which will be required to secure energy development consonant with Canadian needs over the longer term. Nor can it be certain that, faced with attractive investment opportunities and geological possibilities abroad, the private oil industry will be able to con-