

Petro-Canada

their people and men, can go ahead and perform these expensive risk projects with some sanity and with a minimum of waste.

Why are we not moving in these proven areas of known business technique instead of this circus of Petro-Can? The minister points out that the investment required is large and beyond the capability of any single corporation to provide. That can be resolved by increasing the velocity of use of capital and giving incentives to Canadians to save and create capital for our needs. All we are going to get from a state capital organization is inefficiency. There is no motivation for success within it. A buck is not a buck when it comes to this type of need and activity in Canada.

If the government were to move in harmony and partnership with the incentive sector, if it would combine its cheap buck of capital with the talent and initiative of those who react to incentives. Then we would start to make progress in this country, then we would start to own our own resources. The government itself, through the defects inherent in its own organization, is doomed to failure as the performance of these 131-odd Crown corporations shows.

The minister says he wants to participate in exploration, development and research. I agree. But do we not already possess in-depth organizations capable of this? Why should there be more duplication?

He claims that the public company can import at lower cost than can a private concern. We have seen no example of this to date and I doubt very much that we shall encounter one in the future. The track record of Crown corporations and government bureaucracy just does not support the minister's dream.

He worries about the extent of foreign ownership of our resource industries, now standing at 90 per cent. No wonder this is the case. We have never in Canada had tax laws which allowed us to generate capital competitively with other countries. And here is the greatest sin against the Canadian people. Let us give incentives to Canadians, not to foreigners. We continue to allow the import of low-cost capital from Hong Kong, Switzerland and the Arab countries. How can we ever compete when it costs about 50 cents out of every dollar to create a private dollar of capital in Canada?

The Petro-Can bill before us, Mr. Speaker, is just another move by the government toward state capitalism. The powers in this bill are too broad. With some people you just have to tell them what you are going to say and then as you are closing you have to remind them again of what you said. The powers in the bill are too broad to be justified by the reasons given by the minister. The track record of state-owned Crown corporations working without incentives give us no hope that Petro-Can can be anything but just another Liberal barrel. Not an oil barrel, Mr. Speaker—a big pork barrel.

Mr. Joe Clark (Rocky Mountain): The basic objection one has to take to Bill C-8 is that it is a fraud, Mr. Speaker. It does not do what it purports to do. It does not achieve the goals which the Minister of Energy, Mines and Resources (Mr. Macdonald), when introducing the bill, suggested would take a long time to become evident. It does not do those things, but it does do a number of things

[Mr. Huntington.]

which are not listed among its purposes and which have, indeed, been denied from time to time by spokesmen on the government side.

It is clearly going to change, without any cause, the relationship between the private and the public sector in the country; it is going to change the climate which exists in the petroleum exploration industry, and it is going to change this relationship for the worse. So, Mr. Speaker, it is a bill which fails to do those things which it is purported to do and, indeed, is a cover for smuggling in an influence which has the potential of doing serious harm to the Canadian economy and to Canadian society.

When the minister was introducing this bill on March 12 he went through an extensive effort to explain to us all why it was necessary for Canada now to approve this new bill to set up the Petro-Canada Corporation. At one point he said, and I quote him in the direct language he used:

The government does not feel assured that the private sector can be relied upon to mobilize all the enormous amounts of capital which will be required to secure energy development consonant with Canadian needs over the longer term.

In other words, he thinks that over time the private sector is going to turn out to be money short. So what does he do about that? He sets up a corporation to be funded at \$500 million. I remind the House that this sum is roughly half of what the government spent last year, and proposes to spend, on consultant fees. Proposing to compete with a money-short private sector, the minister intends to set up a Crown corporation which is to have operating capital amounting to only half of what the government now spends on supplementing its own public service by employing consultant services.

The minister went on, trying to find a second reason he could offer us. He raised a further concern, and again I quote him:

Nor can it be certain that faced with attractive investment opportunities and geological opportunities abroad the private oil industry will be able to concentrate as much effort on our own petroleum prospective areas over the next decade as our needs require.

Now that raises two kinds of spectre, Mr. Speaker. One, of course, is that it creates the implication that Petro-Can, which we are funding and which the Government of Canada will be required to fund from now on into the future, will keep looking for oil and will keep spending Canadian money in the search for oil after it is no longer profitable to do so. Perhaps we could spend that money better by procuring supplies from elsewhere in the world. Clearly this implication is in the justification offered by the minister, and it causes concern for everyone, whatever be their view as to private sector involvement, that public money should not be spent foolishly.

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The other aspect that is alarming here is the reference of the minister to the possibility that the private sector will have to pull out of the search for oil and production of energy. The fear expressed by many members here, one that is enhanced by and continued on the back of this particular bill, is that the private sector will not pull out voluntarily but instead will be forced out.

It is clear to anyone who has watched the events in this country unfold relative to the energy question in the last