

public ownership in the energy sector. The charges will be set at levels that make this program totally self-financing. The actual rates and the dates of implementation will be determined by the progress of the acquisition program. The charges will be kept at moderate levels in the early years, to limit the impact on consumers.

While the Government of Canada is determined to increase Canadian ownership and control, it does not wish the result to be increased concentration of power in the hands of a few large Canadian companies. Competition is the lifeblood of the industry, and the consumer's best protection. A concentrated Canadian industry is an unsatisfactory replacement for a concentrated foreign-owned industry. The intent of the Program is to *increase* the number of Canadian participants. Therefore, the Government will be vigilant about ownership trends in the industry. The Petroleum Monitoring Agency will play a key role, through its function of advising Parliament on the size, financial position and ownership of the oil companies.

Nor does the Government intend to encourage monopoly in the public sector of the industry. To ensure competition in the public sector, the Government may establish one or more new Crown corporations to hold the assets acquired, rather than adding them all to Petro-Canada. Petro-Canada will remain a principal direct policy instrument of the Government of Canada in the energy sector, and it may be that some of the assets acquired will be transferred to Petro-Canada, to strengthen its capacity to perform this role. Nevertheless, it is the Government's view that if all the firms acquired were to be incorporated within Petro-Canada, its effectiveness as an instrument of Government policy would be reduced, rather than strengthened.

The Government of Canada recognizes that the National Energy Program represents a fundamental departure, in many instances, from the current policy environment. Despite the fact that the policies will maintain, even enhance, the

relative position of the oil and gas industry, some firms may regard the new conditions as unsatisfactory. The Government's acquisition program provides an answer for them. The Government of Canada is a willing buyer, at fair and reasonable prices.

The ownership and control targets for large firms and public sector participation are voluntary. It would be preferable to meet the ownership targets by guidelines and flexibility, rather than through legislation. The Government will, however, carefully review developments, to see whether satisfactory progress is being made under these voluntary ground rules.

The Government of Canada will meet with all of the major foreign-owned firms immediately to discuss the manner in which they intend to support the achievement of the new objectives. In some cases—where, for example, the Canadian ownership is now quite small—acquisition by the federal government or a private Canadian concern may be the most suitable route.

Petro-Canada will act as the agent of the Government of Canada to acquire the additional firms. Once significant progress has been made on the acquisition program, the Government will direct Petro-Canada as to the disposition of the assets acquired. There will likely be a small addition to Petro-Canada's asset base to round out the activities in which it is engaged, in order to ensure that Petro-Canada is involved in all aspects of Canada's oil and gas industry. Depending on the size and nature of the assets acquired, the remaining assets will form the basis for one or more new Crown corporations.