major importer?" Over time, if the trend I described earlier continues, we will be as reliant as is the U.S. on imports.

I am not suggesting, when I talk about this, that we should close our doors, supply all of our own oil and not export. We should have healthy levels of exports. We should import, because it makes no sense to close our doors and simply be self-sufficient with our own supply. But the level of self-sufficiency is key. I feel that it should be about 70 per cent. For those who are interested, I delivered a paper to a heavy oil conference which elaborated on what I thought it should be and how I thought we should meet that need.

At any rate, I will close by saying that this reliance on external factors—our IEA agreement involving the usual problems in having to deal with 21 other countries; simply saying that the market alone will look after us; our looking at the FTA and thinking that, having entered into it, our problems are solved; and our not managing our problem as the energy options report admonishes us to do—is folly. This is the most glaring element of Canadian energy policy that is missing. I do not believe that we should proceed with the privatization of Petro-Canada until we have a statement of energy policy that is detailed enough to enable us to make a judgment on what the government intends to do to manage this problem.

● (1410)

Petro-Canada may or may not play a role in this. One of Petro-Canada's functions was state-to-state transactions. This could be a way of covering some of our security of supply or self-sufficiency concerns. It might be utilized for swap arrangements. There are many policy options that Canada might pursue to cover this problem, and Canada acknowledges that it has the problem. The rhetoric of the minister when he makes presentations on this subject is very good. I mean, I agree with him. He says we are concerned about that. However, when pressed yesterday, he answered the question by stating that we are pursuing demand-side options.

We are pursuing alternative fuels, conversion to gas and ethanol. When asked what he would do if we were importing 50 per cent or 60 per cent of our requirement, or some low figure, he would not answer. I think that question should be answered. I appreciate that once it is answered, the next question is, how is it to be done? There is some pain there. However, avoidance of pain has gone on too long. I think we should set the policy and then deal with the questions, because our long-term interests demand that.

One of the other options is a strategic petroleum reserve, which was one of the recommendations made by the house committee when chaired by Mrs. Sparrow. It was mentioned in the article I quoted. The author suggested some other arrangements which might work better, such as leasing of production, provided that could be done on a secure basis.

There are other aspects of an energy policy which should be fleshed out. However, I used the security of supply and level of self-sufficiency as the most striking examples of something that should attract our attention. It has attracted the attention of the government, but I do not believe the government has articulated in a detailed enough way for us to understand what it is doing to ensure that we have what we need for a long-term, secure supply and a comfortable level of self-sufficiency. I will not repeat the Hibernia debate, but it is key to that. We have spent a lot of money to bring the production on, but we have not completed the intervention, which has been justified only on a regional development basis, by ensuring that production from that area displaces imports in a region that is totally dependent on oil imports.

The second aspect of the report addresses some of the things that should be done, if the government wishes to privatize Petro-Canada, to make it a more successful privatization. The recommendations are that the company comply with the second recommendation of the committee's June report. In the interests of time, we did not repeat that in the report now before the Senate, so I will briefly read it into the record. The recommendation is that Petro-Canada be required to present as much information in the public domain as is required of comparable publicly-traded, private-sector companies. In the text of the report the committee referred to the Ontario Securities Commission's annual information form, or the U.S. Securities and Exchange Commission 10K and 10Q files, as standard of disclosure.

Over the years Petro-Canada has presented different kinds of information in its annual reports. As time has gone on, it has presented more detail and has been more consistent. When the committee looked at Petro-Canada in its study, it found that there was not enough information to do the kind of comparison that the committee wanted to do with Petro-Canada's peer companies, namely, Imperial Oil and Shell. The committee felt, in the abstract, that that was an important recommendation. However, if the company is to be privatized, it is even more important to have a reasonable period of time within which there is a history of that information being made available in order that energy analysts and investors will be able to make good judgments about Petro-Canada's value, and so that the public, whether it is a Senate committee or someone else who wants to go into detail—and there are many who will—will have enough information to judge and comment on Petro-Canada's activities.

The committee decided that this would be helpful, and I submit that it would aid those interested in making a proper assessment on the effect that the public policy objectives Petro-Canada has been required to serve have had on its financial performance and how the company is managed. In fact, some believe, and it was put to us in some of the testimony received, that Petro-Canada still has an overhanging public policy purpose to this day, namely, its commitment to Hibernia and to high-cost east coast production. We have heard from Petro-Canada that its current capital requirement is, in large part, needed to meet its commitments on Hibernia, which I believe are around $100 million in each of the next two years. The minister confirmed yesterday that it is contractually bound to go ahead with these expenditures.

Since Bill C-44 was passed and moved ahead, one of the Hibernia participants—Gulf Canada, with a 25 per cent inter-