

Petro-Canada Act

eastern offshore, the only Canadian operator there, and a participant in every major offshore well.

In 1981, Petro-Canada participated in more than 5 per cent of all exploratory and development wells in Canada. This included the drilling of over 230 oil and gas wells in western Canada, as well as participation in 15 out of the 22 wells drilled in the frontier Canada lands. I understand that the company's success rate on exploratory wells is 70 per cent, which is even higher than the average for the industry.

Although its spending in the frontier region is not expected to yield significant amounts of revenue until the latter part of this decade, Petro-Canada is facing the high risks of these frontier investments, knowing that when the time comes it will have the experience and talent, to the benefit of all Canadians, to develop the huge oil and gas reserves. The achievements of Petro-Canada have certainly not gone unnoticed, Mr. Speaker. Petro-Canada has in fact been recognized as a vital component of our plans to achieve energy security and self-sufficiency.

● (1640)

I would say that the only ones in this country and around the world who have not recognized this major role and major investment of Petro-Canada are the members of the Conservative party in this House.

Some hon. Members: Shame.

Mr. Lalonde: The 1980 study of Petro-Canada by the United States general accounting office identifies several areas where the Crown corporation has played, or is playing, a critical role in Canada's energy strategy. For example, the report has this to say about Petro-Canada generally:

Petro-Canada has made an important contribution to improving Canada's energy situation, and is likely to play an increasing role in this regard under the Canadian Government's new energy policy.

Or this about Petro-Canada as a catalyst of oil exploration and development:

Petro-Canada's experience indicates that it is possible for a national oil company to fulfil a social benefit function by accelerating the pace of exploration and development activities in high-cost/high-risk areas where private company activity may be insufficient and currently uneconomic.

As the U.S. study finds:

Likewise, it appears that Petro-Canada has been about as successful in conventional oil and gas production as private companies.

[*Translation*]

Mr. Speaker, I believe the facts I have just described speak for themselves, and more often than not, Petro-Canada has played a leading role in starting up projects, especially in the frontier areas of the Arctic offshore. However, I wish to repeat a formal commitment made by the government in the past. We want to strengthen and expand Petro-Canada and increase its activities, but the government has no intention of allowing the presence of the public sector to squeeze out the private sector in the oil and gas industry. The industry is, and will remain, largely in the hands of the private sector. In fact, a major part of the National Energy Program was developed with a view to creating policies and a climate that would be favourable to

investment, thus enabling a dynamic private sector to fulfil its role in providing for Canada's future energy needs. If polls are any reflection of reality, Canadians heartily approve of the expenditures related to Petro-Canada. The Crown corporation has done excellent work, both on its own and in collaboration with others. Many of the projects it is undertaking in the national interest require enormous investments on which no return can be expected before the long term. The corporation must have the financial resources it needs to do a good job.

[*English*]

Mr. Speaker, another important initiative taken by Petro-Canada is the formation of the subsidiary, Canertech. Only a year and a half old, Canertech is already playing a substantial and important role in helping to achieve the National Energy Program's goals of conserving energy and moving off oil on to more abundant alternate energies.

Based in Winnipeg, Canertech is dedicated to helping commercialize conservation and renewable energy technologies. There are three ways that this mandate can be carried out: first, Canertech can invest in or participate in joint ventures with enterprises involved in demonstration, production, distribution and marketing. Second, it can take a leading role in producing, distributing and marketing these technologies. And third, the Crown corporation can engage in research and development projects.

Canertech can promote real progress in meeting public policy objectives in conservation and renewable energy. In this regard, it will act as a catalyst and provide management and financial assistance to an infant Canadian industry that is in many cases hampered by the lack of managerial or financial strength.

Canertech was originally capitalized with \$20 million from Petro-Canada. The amendments to the Petro-Canada Act now before this House provide for the repayment of that capital as well as for up to \$35 million in additional funding.

In addition to ensuring Canada's energy security we also have an obligation to less fortunate nations.

[*Translation*]

In the past, the Government of Canada has emphasized its desire to help less fortunate countries, particularly in the energy field. One form of aid would consist in helping these countries to reduce or altogether eliminate their dependence on imported oil. The objective is to give them the capability of producing certain quantities of as yet undiscovered or undeveloped energy resources, or to encourage them to focus on new forms of energy and adopt additional energy conservation policies. To meet Canada's commitment in this respect, amendments are being proposed to the Petro-Canada Act in order to establish a Petro-Canada subsidiary, to be called the Petro-Canada International Assistance Corporation. The subsidiary is to provide various forms of assistance to developing countries, including, for instance, participation in oil and gas exploration in these countries and studies and preliminary