

words in the bill or the rhetoric in the speech which the minister made today. I must say, on the basis of past performance in some of the ventures that the government has made into the field of public ownership, that I am not very optimistic.

This House must recognize that passing this bill will mean nothing at all unless Petro-Canada is given a real role in the oil industry of this country. This Crown corporation is an economic tool, and nothing more. It can be used effectively, or it can lie idle and hardly be used at all.

What is the role that the corporation is to play in the oil industry? It has the powers, as set out in the legislation, to assert the Canadian people's sovereignty and to grant them the right to enjoy the benefits of their natural legacy. But will these powers be used effectively and, if so, how will they be used? In the final analysis we cannot determine the role of Petro-Canada until the government has decided upon a clear and definitive national oil policy.

● (1620)

What is the thrust of the government's program for developing oil resources? Will we continue to leave control in the hands of the multinational corporations? Considering the Syncrude arrangement, I gather that we will. Are the Canadian people in the future to have oil prices determined by the OPEC countries which set the international price? Judging by the agreement with Syncrude that would seem to be the case because the government is assuring the companies in Syncrude that they will get the international price. The international price on which they base their financial estimated returns is \$13.45 a barrel in 1978, \$15 a barrel in 1984, and running up to \$35 a barrel at the end of the project. What makes me skeptical is that my experience over a number of years shows that the Liberal party has never had the courage to grasp the nettle and face up to its responsibility for public intervention in the economy.

Mr. Gillies: They have done too much.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The Liberal party has always tried to be on both sides, so that we end up with two railroads, two airlines, and two broadcasting systems. When we go into oil development we take 45 per cent of Panarctic and 50 per cent of Syncrude.

If the hon. member for Don Valley (Mr. Gillies) will wait, I will refer in a few minutes to one kind of oil company which will really be doing something and not merely going through the motions. My fear is that if the government follows in the future the policies it has in the past, Petro-Canada will be nothing more than a sophisticated method of subsidizing the oil industry by joint-ventures, by taking over projects the private sector does not want to take over, and by drilling in areas the private sector thinks are too risky or too difficult. Petro-Canada will be nothing more than a means of subsidy. This, of course, has already been done with the Syncrude agreement, and in the agreement the government will be entering into with Interprovincial Pipeline.

What is Petro-Canada going to do? The minister's words were—I cannot quote him accurately, but he can correct me if I am wrong—that the work will be mainly exploratory work in areas which are too distant for the private

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sector. Will the role of Petro-Canada be to drill in the Arctic, up in the Beaufort Sea, and out in the icebound areas of Canada where no one else wants to go? The major promising geological formations have already been leased, both in the Arctic and in the southern part of Canada, by the major oil companies, so what is Petro-Canada going to do? Will it simply be a bird dog for the private sector? Will it go out looking for oil in unpromising, costly and discouraging areas, and if it finds something then turn it over to the private sector?

An hon. Member: It will be a haven for old Liberal politicians.

Mr. Knowles (Winnipeg North Centre): They will all be in jail.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The hon. member for Don Valley when he spoke suggested that if the government really wants to get into the oil business it could take a larger share of Panarctic instead of the 45 per cent it has now. That is part of the same mental attitude, that if the government is going to get into the oil business, then for God's sake it should go to some part of Canada where it is less likely to get oil, where it will be more costly to get oil, where less profit will be made, and the profitable areas should be left to the private sector which has already milked those areas and the people of Canada to the very limit.

What will be the role of Petro-Canada? Does the government really mean to use this economic tool, which is a good tool? If so, I congratulate the minister and those responsible for drafting it. What is the government going to do with Petro-Canada? Will it be an effective means of assuring the Canadian people a surety of supply of oil at reasonable prices? Or is it simply a charade to soothe the public indignation which is felt all across this country against the major oil corporations that have been gypping the public for decades?

If the government is really serious about setting up this Crown corporation, the minister should tell us and define clearly for us what its role will be, and outline for us the scenario within which it will perform some useful function.

I suggest to the House, and to the Minister of Energy, Mines and Resources (Mr. Macdonald), that Petro-Canada can be a very useful economic instrument. It can be used to break the economic stranglehold of the foreign oil cartel which, as the minister said this afternoon, controls over 90 per cent of our oil production, and some 99 per cent of our oil refining. This international oligarchy has squandered our Canadian resources, fleeced the Canadian public, and now it stands ready to hold the government and the people of Canada to ransom to compel us to accept its terms in order to get the economic development we need to meet our oil and gas needs.

I respect the hon. member for Don Valley as a member of parliament, and I respect his right to have his own views. He said—and he can correct me if I am not quoting him accurately—that this bill represents a lack of confidence in the private sector. I agree with that statement. I think most Canadians have lost confidence in the private